

The NATIONAL UNDERWRITER

Life Insurance Edition

General Library of
University of
Michigan
Ann Arbor Mich
4400 10000

Insurance Library

B-40

JUN 6 1941



Her check is your guide to better buying

To an average of 16,107 homes each month there goes a Northwestern Mutual income check—income from the largest fund left with any life insurance company for distribution on an income basis

THERE'S real significance to you in those income checks, and in the fund from which they are paid—a significance that suggests some of the reasons why it will pay you to select Northwestern Mutual life insurance. Here's why:

FIRST Because those checks and that fund indicate the kind of service given by Northwestern Mutual agents. Northwestern Mutual agents know that, for most families, true security comes with regular year-in-year-out income, more surely than from haphazard use of suddenly acquired capital. Therefore, these agents help policyholders and their beneficiaries to secure practical income arrangements through Northwestern Mutual's many flexible settlement plans. When you buy Northwestern Mutual life insurance, you are assured the constructive service of agents who have made an

outstanding record in helping men get more for their insurance dollars.

SECOND Because the income settlement plans offered by Northwestern Mutual mean that beneficiaries can have materially greater benefits than they would receive in lump sum payments. For instance, over a period of years Mrs. A. E. has received income checks totaling \$16,145.85 from a policy whose face value was \$12,000. Hundreds of similar cases prove that Northwestern Mutual settlement plans are literally a means of making your insurance dollars go farther.

You probably have friends among the 700,000 discriminating Americans who are policyholders in The Northwestern Mutual. Ask them about the service they get from their Northwestern Mutual agent. Or, better still, before you again buy life insurance talk to one of these agents to learn the low-cost advantages of Northwestern Mutual life insurance and the many plans available to you for assuring your family the true security of guaranteed monthly income.



We are **THE NORTHWESTERN MUTUAL**
LIFE INSURANCE COMPANY
MILWAUKEE, WIS.

This full page Post advertisement helps provide a favorable background for the work of Northwestern Mutual agents.

FRIDAY, JUNE 6, 1941



Hundreds of men who have come to Hartford to secure selling and underwriting knowledge of the insurance business were instructed by the men shown in this photograph. These instructors are authorities in their respective insurance subjects.

Personalized attention is given students of the Travelers training school classes because the ratio of instructors and lecturers per student permits effective group instruction.

The Travelers Insurance Companies take pride in the number of Travelers training school agents who have attained insurance leadership in their communities throughout the United States and Canada.

There are classes for Life and Accident insurance and classes for Casualty and Surety insurance. If you know of someone who wishes to fit himself for profitable insurance selling, he might appreciate the suggestion that he contact the nearest Travelers office for further information or address The Travelers Insurance Companies, Hartford, Connecticut.

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 23

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JUNE 6, 1941

\$3.00 Year, 15 Cents a Copy

Observe Company's 90th Anniversary at Convention

Massachusetts Mutual Agents Confer with Officers at Swampscott This Week

SWAMPSCOTT, MASS.—Introduction of the new "Personal Security Plan" of Massachusetts Mutual Life and an all-day session on pension trusts were outstanding features of the 90th anniversary convention.

The agents association met for three



JOSEPH C. BEHAN

days, celebrating its 50th year, with approximately 700 agents, general agents, home office men and wives present.

The company's history since incorporation May 15, 1851, was strikingly portrayed in "Voices from the Past," radio style script by James M. Blake, manager of field service. Pictures of past presidents were flashed on a screen as a narrator told the story of the company's progress. President Bertrand J. Perry received an ovation when his picture was shown. Then he described the founding and difficult periods through which the life insurance business has progressed.

Behan Holds "Court of Honor"

Vice-president J. C. Behan, who entered Massachusetts Mutual service 45 years ago, conducted a "Court of Honor," congratulating agents who achieved outstanding success in 1940.

The agents' contribution to life insurance in the last 90 years was told by T. M. Green, Oklahoma City, member Million Dollar Round Table.

President Perry was the keynote speaker Monday. He described conditions in the early days. The act of in-

(CONTINUED ON PAGE 26)

N. Y. Economic Seminar Probes Vital Questions

NEW YORK—In addition to the fundamental aims of the C.L.U. movement, with which there is general familiarity, there are certain other educational tendencies which are furthered by a program like the C.L.U. movement but which are not so generally recognized or understood, Dr. S. S. Huebner said in his talk at the testimonial dinner in his honor which followed the all-day seminar session put on by the New York City C.L.U. chapter. The C.L.U. movement, he said, "is serving as an important haven for the promotion of . . . educational tendencies which will be of the greatest significance to the institution of life insurance and to all who serve within its ranks."

Dr. Huebner enumerated six tendencies:

1. Establishment of numerous general survey courses in insurance, with the likelihood that in time such a course will be required for graduation from collegiate schools of business and, properly proportioned, that a similar course will be included in the senior year curriculum of high schools.

Urges One-Year Course

2. Encouragement of a well-rounded one-year course to fill the gap between the short courses for beginners and the advanced collegiate program presented by the C.L.U. movement. Far from being a competitor for the C.L.U. program, it should be a large scale feeder.

3. Improvement in the quality and the interest of teachers of insurance, many of whom divide their time between the teaching of insurance and some other subject.

4. With this increase in the number of full-time teachers and interest in graduate work in insurance growing correspondingly, there will follow much greater activity in original research, which is of vital significance to any profession or business.

5. Promotion of greater interest of life insurance practitioners in closely allied subjects such as economics, government, sociology, business law, taxation, money and credit, corporation finance and investment.

6. Extension of the C.L.U. movement to the fire and casualty fields, in which steps have already been taken to consider the advisability of adopting a program of education comparable in extent and objectives to the C.L.U. plan. The proposition has been approved in principle, instructions were given for the appointment of five sub-committees to iron out the details, and a perfected plan will be presented in the near future.

Humanizing the Government

James T. Young, professor of public administration at the University of Pennsylvania, in his talk at the seminar said the country is facing a choice between two opposite ways of handling public affairs. "Shall we, through the government, seek to crush opposition in our internal policies? Shall we liquidate the kulaks, subdue the recalcitrant minority and purge the dissenter?" he asked.

"Or shall we try to recognize the in-

terests of all groups and bend our internal policies to create maximum harmony and unity? Both courses have serious disadvantages and both offer alluring possibilities. When we purge the opposition, we fasten our attention exclusively on some reform, believed to be desirable, and then, without further ceremony, we throw overboard all persons, groups and principles which might delay immediate adoption of this reform. In doing so we exalt the benefits of uniformity, even at the expense of unity. Our slogan then is 'Get in line, or else'—"

"The alternative course magnifies the respect for all group interests, whether majority or minority. While this, too, may be carried to extremes, its slogan is the general welfare.

Selective Service Act

"For over a generation now we have been following the first course. Is it time for the pendulum to swing? Shall the young man called to the colors under the selective service act have his interests considered with the same care as other members of the nation whom he is fighting to defend? If so, why should the age limits run from 21 to 35, as at present? Why not from 18 to 25? Under our present law, young men who have started on their careers, have contracted obligations, bought life insurance, taken on a mortgage and in other ways have pledged themselves and their resources, are now torn up by the roots for at least a year. If we had lower age limits, from 18 up, the men drafted would not have reached this stage and would not be disturbed in anything like the same degree. Here is a serious condition arising from our failure to humanize the government's attitude toward those whom it regulates or whose service it commands.

"In making an investigation of life insurance, the government might have secured the help of a confidence-inspiring group of life insurance executives and have stimulated them to conduct a self-investigation. The results would have been a series of recommendations that would everywhere have aroused cordial support. Instead, the government set up a biased inquiry by official investigators who used the methods and the motives of the prosecuting attorney. This has aroused widespread and justifiable opposition.

Labor Relations

"In labor relations, a humanizing viewpoint would have set up definite rights of unions large and small, craft and industrial together with adequate rights for employers and the public. Instead, we have subjected all the parties to the whims, the preferences and the prejudices of a board of three men with well-nigh dictatorial power. When the board decided in the Pittsburgh Plate Glass case that one of six plants could not have its own representatives, but must vote with all the other five, it acted in the vengeful spirit of the purge. And when a later board held in the Libbey case that one of seven glass plants could have its own representation, it showed

Underwriting Trend in Canada Briefed at Toronto Meeting

Home Office Selection Men Hear Effects of War on Methods and Rules

TORONTO—War has interfered with the improvement of underwriting methods and rules in Canada, J. D. Williamson, Canada Life, declared in his annual address at the meeting of the Home Office Life Underwriters Association.



J. D. WILLIAMSON

When, in 1936, a revised occupational rating schedule was placed in the hands of, and adopted by, the companies in Canada it was decided to make a complete revision available five years later. "A few changes have been made,"

(CONTINUED ON PAGE 18)

a humanized spirit. The American Federation of Labor has rightly demanded that the law be amended to assure this treatment. So also in radio, aviation and tax legislation. Those who are regulated and taxed have been ignored by the lawmaker and the administrator. In some sense, we are all taxpayers and regulatees. Shall we demand greater consideration from OUR government?

"The life insurance institution has a vital concern in humanizing the government. In order to assure this, it must organize on a nation-wide scale.

"We must not sit quietly by, docilely awaiting whatever fate the politician may dole out to us. Nor may we listlessly postpone any plan of action until the bills are drafted, the floods of political propaganda unleashed and a hostile

(CONTINUED ON PAGE 31)

Exhibit of Present Data on Annuities and Supplementary Contracts

In the following table are shown certain figures from the annuity and supplementary contract exhibit of the 1940 annual statements of life companies licensed in Illinois.

In the first column are given the number of individual annuities issued during 1940, in the second column are the number of annuity contracts outstanding as at Dec. 31, 1940, and in the third column is given the annual income payable under the policies outstanding. This includes annuities where the income is now payable, deferred annuities, fully paid, and deferred annuities, not fully paid.

Supplementary Contracts Data

In the fourth column is given the number of supplementary contracts out-

standing as at Dec. 31, and in the final column the annual income payable under these contracts. They include supplementary contracts where the income is now payable and also those that are deferred and full paid.

Group Annuity Figures

In the second part of the table are shown the figures on group annuities for the few companies that issue such contracts. In the first column are the number of group annuities issued during the year, in second column the group annuities outstanding and in the third column the annual income payable under such annuities. The figure as to number of annuities in the group section refers to the master contract, rather

than the total number of certificates to individual annuitants:

			Grp. annuities		Out-stand- ing		Annual Income	
			Issued	Out-stand- ing	Issued	Out-stand- ing	Income	Income
			28	189	28	189	\$	\$
Aetna Life	1,240	17,133	11,496,538	2,756	1,685,014	75,791		
Alliance Life	8	212	59,779	220	10,322	220		
Amer. Mut. Life	29	122	32,551	13	2,023	13		
Amer. Natl. Tex.	130	494	218,110	109	5,849	109		
Amer. Std. Life	1	1	694	1	234	1		
Amer. United	220	1,304	696,625	29	11,338	29		
Bankers, Ia.	184	3,737	1,506,975	1,002	391,492	1,002		
Bankers, Neb.	17	488	161,748	60	17,380	60		
Berkshire Life	197	3,723	1,559,960	248	115,576	248		
Business Men's	275	1,049	354,601	77	15,342	77		
Canada Life, U. S.	199	2,673	1,325,714	129	61,325	129		
Central Life, Ia.	32	569	160,964	168	40,652	168		
Central Life, Ill.	1	28	13,771	9	4,849	9		
Col. Natl. Life	161	1,060	434,065	154	76,833	154		
Col. Mut. Life	671	1,302	239,924	130	23,860	130		
Conn. Gen.	1,626	19,527	8,928,894	912	510,052	912		
Conn. Mut.	2,778	24,207	11,326,633	806	405,640	806		
Conservative, W. Va.	77	1,459	791,558	38	18,953	38		
Cont. Assur.	14	2,495	772	331,120	1,390	22,348		
Country Life	9,086	315,896	149,981,885	7,013	3,223,272	7,013		
Equit. Soc.	1,247	10,977	4,621,794	772	331,120	772		
Equit. Life, Ia.	1	11	5,566	21	6,155	21		
Eureka-Md.	19	78	32,960	410	175,529	410		
Federal Life, Ill.	646	5,959	2,300,960	410	175,529	410		
Fed. Mut. Life	92	468	209,748	190	49,334	190		
Franklin Life	81	611	282,380	175	96,467	175		
Gen. Amer. Life	31	229	87,946	43	10,729	43		
Girard Life	6	60	28,520	21	10,050	21		
Gr. Northern Life	145	1,098	926,086	63	12,068	63		
Gr. West Life (U. S.)	16	183	70,549	319	170,193	319		
Guar. Mut. Life	68	4,651	2,323,835	402	170,453	402		
Guardian Life	612	2,244	994,344	76	2,895	76		
Home Life, N. Y.	104	963	365,824	134	22,348	134		
Ill. Bankers	5,008	34,700	15,640,381	891	438,489	891		
Indianapolis Life	1,067	6,720	1,836,900	568	109,411	568		
John Hancock	7	65	13,250	38	14,362	38		
K. C. Life	281	1,479	932,570	307	142,786	307		
Lafayette Life	737	7,504	3,218,184	295	4,527	295		
Life of Va.	2	2	225	6	4,527	6		
Lincoln Natl.	445	915	471,297	29	9,261	29		
Loyal Protective	136	1,014	646,312	20	12,920	20		
Luth. Mut. Life	2,011	36,409	16,959,689	3,113	1,541,577	3,113		
Manhattan Life	985	14,895	7,399,563	2,520	1,140,253	2,520		
Mfrs. Life (U. S.)	864	2,664	871,542	225	52,269	225		
Mass. Mut.								
Met. Life								
Midland Mut.								
Midwest Life	22	5,709	1,428,163	124	49,906	124		
Minn. Mut.	561	6,047	1,428,163	124	49,906	124		
Monarch Life	298	3,558	1,778,531	2,865	1,224,808	2,865		
Mut. Benefit	1,212	43,503	18,690,568	5,575	2,604,512	5,575		
Mut. Life, N. Y.	129	1,670	585,403	398	31,274	398		
Mut. Trust	499	3,359	1,693,283	8	3,522	8		
Natl. L. & A.	18	4,021	1,331,656	684	331,656	684		
Natl. Life, Ia.	1,137	13,864	5,733,316	2,311	1,160,459	2,311		
Natl. Life, Vt.	2,285	23,733	11,930,672	5,930	2,769,334	5,930		
New Eng. Mut.	1,069	84,872	47,773,770	113	8,383	113		
New York Life	3	50	28,077	7	297	7		
No. Am. Life	221	14,065	1,965,492	427	119,923	427		
No. Am. Reassur.	1,077	12,221	3,661,619	5,385	1,965,492	5,385		
N. W. Mutual	45	894	216,582	327	68,329	327		
N. W. Natl.	356	1,696	695,098	79	23,754	79		
Occid. Life, Cal.	332	2,326	1,225,032	22	6,895	22		
Ohio Natl.	45	413	22,363	3	19	3		
Ohio State Life	312	13,272	5,202,525	971	408,385	971		
Old Line Life	201	1,241	648,577	9	3,253	9		
Old Republic Cre.	2,191	36,964	17,407,661	3,567	1,683,868	3,567		
Pacific Mut.	32	152	54,048	73	3,491	73		
Pan American	1,388	16,901	7,251,887	1,085	478,020	1,085		
Penn Mut.	3	48	15,375	26	4,116	26		
Peoples Life, Ind.	1,006	14,803	5,874,526	1,594	724,602	1,594		
Phila. Life	3,128	39,057	20,140,383	3,872	1,778,434	3,872		
Phoenix Mut.	153	1,786	632,997	251	154,708	251		
Provident L. & A.	2	3	1,154	5	117	5		
Provident Mut.	4	1,135	1,135	12	579	12		
Reliance Life	2	18	7,514	40	12,140	40		
Rockford Life	2	65	18,246	176	61,236	176		
St. Louis Mut.	57	618	315,947	54	2,618	54		
Security Mut., N. Y.	391	4,245	1,889,254	700	373,907	700		
State Life	1,415	15,404	7,546,980	635	307,781	635		
State Farm	9	53	16,600	3,430	1,714,511	3,430		
State Mut.	2,349	26,111	20,855,442	1,736	734,911	1,736		
Sun Life, Can. (U. S.)	1,991	18,408	12,866,237	7	371	7		
Sun Life, Md.	24	131	51,509	104	19,841	104		
Travelers	54	220	67,258	100	4,113	100		
Union Labor	168	562	260,848	21	6,049	21		
Union Mut.	44	226	80,995	42	15,337	42		
United Benefit	3	3	222	14	2,151	14		
U. S. Life	54	531	144,556	24	1,775	24		
Victory Mut.	53	265	165,461	6	88	6		
Wash. Natl.	6	88	22,272					
West. & South.								
Wisc. Natl.								

W. H. Andrews Committee Gets Out Literature

The committee that is working in behalf of the election of W. H. Andrews, Jr., of Greensboro, N. C., as secretary of the National Association of Life Underwriters, has now sent to local and state officers throughout the country a message and folder outlining Mr. Andrews' qualifications. Mr. Andrews is trustee of the N. A. L. U. and he is home office general agent of Jefferson Standard Life. A. T. Haley, Massachusetts Mutual, is chairman of the Greensboro committee working in behalf of Mr. Andrews and Elbert Chambers, Occidental Life, Asheville, is chairman of the North Carolina state committee.

The folder contains the names and addresses of the nominating committee and those to whom the letter is addressed are solicited to secure the endorsement of their state and local associations.

The recital of Mr. Andrews' activities is most impressive. His work in behalf of association welfare is detailed by months for years 1938, 1939, 1940 and 1941. He served two terms as president of the Greensboro association, two terms as secretary, he has been national committeeman, member of the executive

committee of the general agents and managers section, a member of the program committee of that section; he is past president of the North Carolina state association; he was elected trustee of the N. A. L. U. in 1938; he was chairman of the national membership committee last year and is now chairman of the general agents and managers committee.

O. P. Lockhart Confirmed as Texas Commissioner

AUSTIN—The senate confirmed O. P. Lockhart, Austin bakery owner and operator, to be Texas life insurance commissioner and ex-officio chairman Texas insurance board for the term ending November 15, 1945.

Houchin Properly Identified

R. Homa Houchin, who was program chairman of West Virginia Life Underwriters meeting in Huntington, is general agent for Connecticut Mutual. He was incorrectly identified as being with Northwestern Mutual.

J. E. Conklin, Equitable Society, Hutchinson, president Kansas Life Underwriters Association, spoke before the Wichita Rotary Club.

Chicago Headquarters for Commissioners Party

Arrangements have been made for the commissioners and camp followers who will be stopping in Chicago, en route to Detroit for the meeting of the National Association of Insurance Commissioners, June 9-11, to have a rallying point in that city. Arthur G. Smith of the Illinois department has made arrangements with the Hotel LaSalle in Chicago. Those that register at the Hotel LaSalle or merely go there to lounge are requested to report to the hotel clerk and he will keep a record of the commissioners group that is on hand. The hotel has set aside a suite of rooms at 1009 for headquarters. This arrangement will be in effect throughout Saturday and Sunday, June 7-8. It is expected that most of the group will journey from Chicago to Detroit Sunday afternoon, June 8, on the Twilight Limited of the New York Central System, leaving the LaSalle Street Station at 4:15 p. m., Central Standard time.

Cass to Indianapolis

Oliver Cass has been transferred by Mutual Benefit Life from the home office agency department to production manager of the Indianapolis agency office. He has been at the home office for a number of years.

American Institute of Actuaries Holds Annual Parley

Dublin Cites Need of Child Health Work with Birth Rate Down

TORONTO—Infant mortality in the United States has declined by 45 percent over a period of 20 years and the death rate among children ages 1-14 has decreased by 60 percent, it was announced by Dr. Louis I. Dublin, vice-president and statistician of Metropolitan Life, in a study jointly made with Mortimer Spiegelman, also of Metropolitan Life, and presented at the annual meeting of the American Institute of Actuaries.

The improvement has been accelerated in the past decade. In the years 1920-29 infant mortality declined 23 percent, while in the years 1930-39 it declined 30 percent. There is no sign of slackening in the rate of improvement. Such extraordinarily low mortality rates have been reached by some of the ages within the 1-14 group that the extent of improvement in these years presents a difficult challenge of further appreciable reduction.

Wide Disparities Are Found

The fullest measure of success has not yet been achieved for there are wide disparities in the health records of individual communities. There are large areas where conditions of morbidity and mortality leave much to be desired. Evidently large numbers of children are not receiving the advantages to be gained from the present knowledge in the medical and sanitary sciences. To take measures to prevent illness and avoid accidents is not only the more humane procedure but also the most economical. A vital step in the integration of the present endeavors to promote the health and welfare of children will be made when parents are educated in the use of the facilities available to them.

For the first time in history the number of children is decreasing in the United States as a result of the precipitous decline in the birth rate. The 1940 total under age 15 is 32,900,000, or 3-200,000 less than the 1930 total. In spite of general population increases, it is expected that the 1960 total of children in America will be 31,000,000 or 5,100,000, under the 1930 total.

"With the numbers of children in our population decreasing, the future of the nation calls more than ever for immediate attention and action on the problems centering around their health and welfare," it said.

Family Income Plan Studied

In another paper presented at the meeting by Arthur Pedoe, Canadian actuary for Prudential of England, it was shown that the family income plan, first proposed in 1930 by the late Philip Burnett, president of Continental American, has since been adopted and used extensively by the British companies and is now a permanent fixture throughout the English speaking world.

Mr. Pedoe explained that this benefit is generally issued as an additional feature in conjunction with the common "basic plans." While it has its variations, it may be described as a level income payable during the remaining years of a fixed period dating from the commencement of the insurance. Generally, the amount of the income is so fixed as to supplement the interest in-

(CONTINUED ON PAGE 24)

Dobbs Again Heads Industrial Insurers Conference

Commissioners Bowles and McCormack Give Conclusions on TNEC Report

By GEORGE E. WOHLGEMUTH

RICHMOND, VA.—H. T. Dobbs, first vice-president Industrial Life & Health, Atlanta, was reelected president of the Industrial Insurers Conference at its annual meeting here. F. F. Leith, vice-president Peoples Life, D. C., who served previously as chairman of the executive committee, was elected vice-president, and W. Caswell Ellis, vice-president and secretary Franklin National Life, secretary. E. L. Phillips, vice-president and treasurer Gulf Life, becomes chairman of the executive committee. H. C. E. Johnson, executive vice-president Interstate Life & Accident, and E. H. Speckman, president Kentucky Central are new three-year term executive committeemen.

Other members of the executive committee are W. N. Culp, chairman Southern Life & Health, E. W. Craig, executive vice-president National Life & Accident, and C. P. Kendall, vice-president Washington National.

Discuss TNEC Implications

Commissioner Bowles of Virginia and Commissioner McCormack of Tennessee discussed the T. N. E. C. life insurance report and its implications for industrial companies.

Mr. Bowles stated the report proves that life companies are conducted on the highest plane and ably managed. State supervision has met its obligations to the public, he said. The industrial companies should give earnest thought to the problems suggested by the report so that there can be no ground for criticism.

The life insurance business is so closely related to public welfare that its administration cannot be regarded in the same light as ordinary business.

The job of management is to bring a better understanding of industrial to the public, he said. Every law regulating industrial merely puts into practice a procedure of some company. Seven states have adopted standard policy provisions.

Must Improve Conduct

The industrial business cannot stand still, it must continue to improve its conduct and administration. It is not sufficient, he said, for management to confine its activities to its own company, but must make its influence felt over the entire field.

Industrial companies must give attention to "high pressure" selling, Mr. Bowles declared. The term is difficult to define, but he suggested that the companies throw around the writing of new business restrictions leading to a good persistency.

Develop Family Program

An extraordinary number of policies in a single family should be avoided. Agents should be trained for the development of a sound family insurance program. Rules should be formulated so that industrial will not be written in place of ordinary.

It is difficult, he said, to exercise controls which, while encouraging production, yet give due emphasis to persistency. Undue emphasis on production of new business should be avoided.

(CONTINUED ON LAST PAGE)

Texas Agents Hold Successful Annual Rally at Beaumont

BEAUMONT, TEX.—The convention of the Texas Association of Life Underwriters here was well attended and highly successful. H. B. Wernette, manager National Life & Accident at Corpus Christi, was elected to succeed to the presidency.



H. B. Wernette

Other officers are Francis Bray, New England Mutual, Houston; John Monroe, Great National, Dallas; Harold Sharp, Southland Life, Fort Worth; Neil Wright, Southland Life, Lubbock, and Allen Bruce, Pacific Mutual, El Paso.

Should Concentrate on Job

Irvin Bendiner of the New York Life, Philadelphia, stressed the need for concentration on life insurance and its services to offset worries arising as a result of political debates, war conditions, fear of inflation, etc. If agents are going to give their time to other things than life insurance, they should quit, he said.

Life insurance will continue to render service regardless of war and its outcome, Mr. Bendiner commented. Government insurance, he believes, will indelibly impress on youth the value of life insurance.

Dr. R. L. Sutherland of the University of Texas advised agents to know prospect's background, avoid unpleasant and painful associations in presentation.

(CONTINUED ON PAGE 15)

Federal Tax Plan Reviewed

RICHMOND—Various proposals for an emergency federal tax on life insurance which were considered by representatives of various insurance organizations at a conference in Washington were reviewed by C. A. Craig, board chairman National Life & Accident, at the Industrial Insurers Conference here.

The plan finally agreed upon would place a tax of 1/2 of 1 percent on new issues and 1/20 of 1 percent on the total insurance in force at the end of the tax year on companies with less than 25 millions in force. For companies with more than 25 millions, the tax would not exceed 8 cents per \$1,000 on adjusted new issues. The tax on industrial business would be one-half of that applicable to new ordinary issue and 1/2 percent on the insurance in force on aggregate transactions. The federal government, he said, expects to receive 20 to 25 millions annually from the life insurance companies.

Neb. Rejects War Risk Riders

LINCOLN, NEB.—In the opinion of Actuary B. B. Gribble of the Nebraska department, the widely varied character of war risk riders being submitted to him for approval indicate that many of the companies have not taken the pains to read the Nebraska law as amended by the last legislature. Because of non-compliance with that law, the department has been compelled to disapprove a number of these riders.

Does Not Aspire for Governorship

DES MOINES, IA.—Newspaper reports that Commissioner Fischer of Iowa might be a candidate for governor on the Republican ticket in 1942 were put to rest by the commissioner who said that he would not consider making any political campaign.

Underwriters Ponder Mortality Hazards in Defense Program

No Immediate Need Seen for General Boost in Occupational Ratings

TORONTO—Underwriting problems arising from the shifting of workers from one locality to another and one type of job to another, plus the general speed-up of industry, all arising out of the defense program, were discussed by



W. NELSON BAGLEY

W. Nelson Bagley, assistant actuary Travelers, at the occupational section of the Home Office Life Underwriters Association spring meeting here. Mr. Bagley made it clear that it is still too early to reach any final conclusions and said that he hoped the ensuing discussion would bring out additional reasons which would be helpful in "keeping our feet on the ground."

Considering both the favorable and unfavorable factors growing out of the defense situation, he said, it did not appear that there is anything indicating a necessity now or in the near future for a general increase of occupational ratings. He based this observation partly on the fact that level premium life insurance does not promptly reflect the yearly changes in mortality, whether up or down. Consequently occupational ratings as a whole, although tending downward in recent years, have not kept pace with the improvement in occupational death rates. He pointed out, however, that this does not mean that there is no defense industry or no occupation, considered individually, requiring modified underwriting suitable to present conditions.

Overcrowding Impairs Health

Among the unfavorable factors, Mr. Bagley listed the effect of overcrowding where a plant is located near a small town, an influx of trailers, tents, shacks and the like, and other conditions not conducive to good health. Even in a city, which can absorb thousands more workers without overcrowding, there is still an aggravation of an already serious traffic problem. The small factory having a defense order may overcrowd its workrooms, use workmen with insufficient training, accept work in which it is not experienced, employ methods or materials not ordinarily used, or permit the existence of other conditions not

(CONTINUED ON PAGE 10)

College Prepaid

The underwriter in this case tells us that the policy was sold in competition with shares of building and loan. "The policyholder was satisfied that the reserve or cash value and accumulated dividends which he could draw upon in years to come would give him as good an investment as a building and loan account. He had agreed to take the time right then to drive from his factory to our doctor's office for an examination when I said, 'If you will write your check to us for the first annual deposit of \$391.50, your wife and daughter will have the protection of an income guaranteed by this \$10,000 contract right from the hour of examination, if the examination proves satisfactory. Here is the binding receipt the company authorizes me to give you.'

"He gave me his check and we were off to see the doctor. I had him back at the office within an hour, and when I told him good-bye that was the last time I saw him alive. Two days later he was killed on the street. The application contained the insured's request that the wife's portion be paid under an income option and that the daughter's share be held until 1941 and then paid under Option A for four years. This case was placed in 1928, and now, 13 years later, the daughter will enter college in the autumn with the knowledge that the money for four years' tuition will be promptly furnished."

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Urges Actuaries to Weigh Problems of Defense

Vision Is Needed, Hohaus Says in Presidential Message to Actuaries

TORONTO—Realities of the day include a number of old and new problems which are primarily of social or economic nature and it behooves members of the actuarial profession to take this more and more into account in



R. A. HOHAUS

their work, Associate Actuary Reinhard A. Hohaus of Metropolitan Life said in his presidential address before the American Institute of Actuaries meeting here.

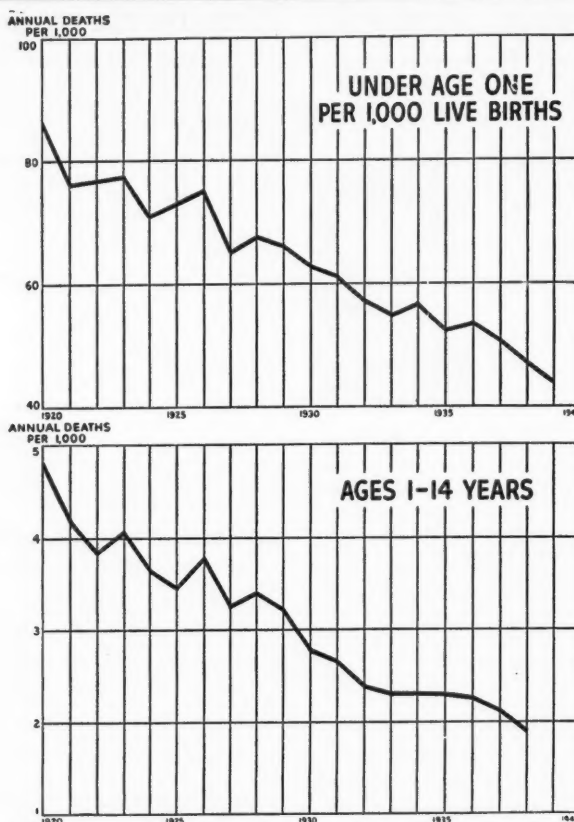
"Today we must be familiar not only with those economic factors which usually influence certain phases of our business but also with special problems connected with defense," he said. "Thus for example the steps actually taken and those under discussion for financing the tremendous government defense expenditures, the proposals for preventing undue price rises, for restricting consumption of certain goods and for otherwise curbing inflationary tendencies all have important implications for our business. What effect the defense program is likely to have on life insurance companies' investments, both present and future, is one of the topics to be discussed at this meeting. Constant study of these and related questions as well as a general understanding of economic and social forces should be essential parts of our efforts to keep life insurance abreast of the times and in the best possible shape for the future.

Meeting Post-War Problems

"Our science, and the analytical and methodical approach to problems which it teaches, seem also to offer unique means for considering many national questions. Social security is an outstanding example. Moreover, actuaries will doubtless have opportunities to aid in the development of programs to meet the probable postwar problems of unemployment. We can be of service by bringing to persons in authority not only ability to analyze factual material for the formulation of policy but also a wealth of administrative and other experience useful in evaluating the practicality of this or that plan.

"Indeed, developments in recent years point to a very definite need for a more

Child Deaths Cut One-Half in 20 Years



Infant mortality has declined by 45% in the United States since 1920 and the death rate among children 1-14 has been cut 60%, according to a study prepared for the American Institute of Actuaries. Deaths in the first year of life per 1,000 of live births have dropped from 86 in 1920 to 44, while deaths among children ages 1-14 have been cut from 4.8 to 1.9. This improvement is primarily due to higher standards of living—better food, clothing, and shelter—which have built up resistance of children against infections and the progress of medical science and public health administration in controlling acute and infectious diseases. (Institute of Life Insurance)

widespread use of the services our training makes available. If we are to meet this need, and it is our responsibility to do so, it seems essential that we expand our horizon to keep up with the demands that may be placed upon us. I say 'may be' advisedly, because undue seclusion or detachment may well deprive us of many opportunities to prove our worth and ability in contributing to the solution of public problems. Only if we are sympathetic, realistic, and constructive about these problems will our counsel be sought and duly considered. The recent studies in the field of medical economics by Mr. Wolfenden, which are reviewed in the current issue of the Record, illustrate what we can do—and should do more extensively. If we succeed, our profession will provide society with needed leadership on new fronts—leadership of the high type that will be required in all lines of activity in order that we may face the future with confidence.

"Source of Renewed Vigor"

"These critical days should be a source of renewed vigor and inspiration. It is at such times that we can justify our heritage—that we can 'take stock' and reaffirm our determination to preserve our institutions and traditions. It is then that the forces of liberty, courage, justice, and responsibility stand out in their true magnificence. So fortified, we can squarely face and surely meet the challenge now before us."

Earlier in his address Mr. Hohaus said: "Our economic system should continue to be such as to encourage the individual to assume the primary responsibility for his and his family's material well being.

"Ambition should set his goal, not

contentment with the floor of security provided by the social services," he said. "For this there must exist opportunities. Restrict man's economic scope and he will find little to inspire him to the defense of his political and human liberties. Man lives as much by economic initiative and the hopes it engenders for himself and his family as by his civic rights as a democratic citizen."

Nebraska Insurance Code Is Up for Revision

LINCOLN, NEB.—A revision of the Nebraska insurance code, first written 28 years ago and added to in patchwork fashion by succeeding legislatures, is to be made by the newly created statute revision commission, according to Secretary Turner of the state bar association and one of its members. While the insurance code was not specifically mentioned, the general directions to eliminate inconsistent and obsolete statutes has been taken to include it in the revision.

Insurance department men welcome the rewriting of the code. Development of the business since 1913 has left it out-moded. The work of revision is to be headed by W. D. James, a McCook attorney.

G. V. Jackson, Lincoln National Life, has been elected third vice-president of the San Antonio Lions Club, and A. W. Warner, Kansas City Life, has been elected secretary. Arthur Fabra, American National, has been elected a director. Fabra was recently awarded recognition as the outstanding Lion in the southwest Texas district.

Pennsylvania Days Observance Is Held at Bethlehem

J. M. Jamison Is Elected President of Insurance Federation

NEW OFFICERS ELECTED

President—J. N. Jamison, executive vice-president Reliance Life.

First Vice-president—J. M. Thomas, president National Union Fire.

Treasurer—J. D. Pharaoh, 2nd, vice-president Pennsylvania Underwriters, Philadelphia.

National councillor—W. A. Edgar, Philadelphia manager U. S. Fidelity & Guaranty.

By ROBERT H. VAN BEYNUM

BETHLEHEM, PA.—Calling on all lines of insurance to make a concerted effort to defend the insurance business as they have never done before, John A. Diemand, president of the North America, said this is no time to let politicians make a political football out of the business. He was delivering the president's address at the opening luncheon of the two day Pennsylvania Insurance Days meeting sponsored by the Insurance



J. N. JAMISON

Federation of Pennsylvania. More than 400 attended. The 1942 convention city is Pittsburgh.

The bill which would make any company operating in more than one state come under a federal licensing tax and the obviously untrue statements about insurance made a few days ago by a United States senator are evidence that some politicians are anxious to get their fingers into the business, he said. The way in which life insurance held its head up in the recent investigation and the eagerness with which fire and casualty companies in their efforts to help the defense program are handling extra hazardous risks that they normally would not touch were listed by Mr. Diemand as examples of the honesty and stability of the business.

Homer W. Teamer, secretary-manager, reported that the federation had collaborated with the insurance department in the promulgation of rules for the department in governing the licensing of agents and brokers. He called attention to the fact that a copy of the regulations were printed in full in the year book-program.

(CONTINUED ON PAGE 24)

"Stronger than Ever"

AGE—SIZE . . Chartered in 1905, the Midland Mutual Life is older than any one of 83% of all United States life companies and has more admitted assets than any one of 85%.

SERVICE Free health examinations for policyowners.
Every policyowner participates in earnings.
All modern forms of life and annuity contracts available.

MORTALITY . . The Midland Mutual has always experienced an unusually low mortality, averaging 40.1% of the expected death losses over the past thirty-five years, or about 27% less than the average for all companies. Mortality savings is a very important item since policyholders' dividends are now largely derived from this source.

DIVIDENDS . . Dividends are paid at the end of the first year, on annual and single premiums, during disability and on paid-up dividend additions.

COMPARATIVE FIGURES, 1940 Of the 400 legal reserve United States life insurance companies, those having \$100,000,000 or more of ordinary insurance in force are 72 in number. These 72 companies, of which the Midland Mutual is one, hold 95% of all the legal reserve life insurance in force in United States companies. Note the following significant comparisons:

	Average 72 Companies	MIDLAND MUTUAL
Assets to each \$100 Liabilities	\$105.85	\$108.55
Surplus to each \$1,000 Insurance in Force	\$17.25	\$21.57
Per Cent of Income over Disbursement	26.13%	34.05%
20 Year Average Dividend per \$1,000 OWL Age 35	\$5.04	\$5.56

THE MIDLAND MUTUAL LIFE
Insurance Company • Columbus, Ohio

Common Defense by All Interests Is Urged by Stevenson

Ordinary Life and Industrial Should Go Hand in Hand

BEAUMONT, TEX.—The necessity for building a common defense for life insurance with both industrial and ordinary going hand in hand was stressed at the annual meeting of the Texas Association of Life Underwriters by E. B.



E. B. STEVENSON

Stevenson, executive vice-president National Life & Accident.

Mr. Stevenson said he regarded the term "industrial" as a misnomer as it is just life insurance in small packages with premiums collected at the home. Industrial insurance has been the means of extending privileges of life insurance to meet any need and any purse of millions who would otherwise have been without it. Industrial insurance has been extended far beyond its early concept of "burial insurance" and is now conducted on the same level premium plans as ordinary with adequate reserves. Industrial provides optional non-forfeiture values, and other provisions substantially as liberal and in some instances more liberal than those in ordinary policies, such as provisions for grace period, reinstatement, limitation of the period of contestability, etc. In addition, as a rule, industrial policies include without any specific extra premium a provision for double indemnity and specific disability.

Protects Entire Family

Industrial offers protection for every member of the family. Although the bulk of the protection should be on the breadwinners, without policies on the lives of other members of the family serious financial difficulties would arise in the event of death. For every 100 deaths in 1937 among breadwinners (males over 20) there were 111 deaths among males under 20 and females. So the protection feature is valuable and the savings fund created is of equal value. Many times the savings have been the means of financing certain necessary expenditures such as medical care, hospitalization and other unexpected financial demands, as well as providing for education of children.

Industrial insurance has contributed its full share in benefits to policyholders.

In a recent year 277 companies paid a total to living policyholders of \$1,916,000,000 of which \$589,000,000 was paid to industrial policyholders by 16 of these companies. The same 277 companies paid \$969,000,000 in death claims of which \$164,000,000 was on industrial paid by the 16 companies.

Collection Frequency a Factor

Industrial insurance costs more as it is only natural that weekly premium insurance should cost more than annual premium insurance. Frequency of premium payments always has had a bearing on the cost of insurance and it is only right that the policyholders pay this additional cost. It would be a Utopia, Mr. Stevenson declared, if every policyholder paid his premiums on an annual basis. Unfortunately this is not the case although every effort is made to have policies written on the annual basis where circumstances justify. If payment on an annual premium is impossible, then the premium paying interval must be made to fit the needs of the prospect. In many instances, if the prospect is to be insured at all, it is necessary that the premiums be collected on a weekly basis.

Extra Cost Justified

Mr. Stevenson pointed out that any extra cost is easily justified by the fact that 52 calls are made at the home of the premium payer each year in order to collect premiums. It is difficult to cite the exact difference in cost between weekly premiums or monthly premiums but on some plans the monthly premiums basis per \$1,000 for ordinary is as little as 18 cents per month less than the corresponding weekly premium adjusted to a monthly basis.

Ordinary monthly premiums used in this comparison did not include any premium for double indemnity or disability provisions which are usually included in an industrial policy. The cost differential, therefore, would be substantially reduced were it possible to make an equitable adjustment for these factors.

Furthermore, if the industrial business took into consideration substandard ordinary classifications, the cost differential would be even smaller.

Valuable Service Rendered

Although the frequency of calls necessarily increases the cost, these calls render service to the insured on a more satisfactory and more economical basis than could otherwise be done. If the calls at the home and the consequent cost of collecting were eliminated and the insured had to pay premiums by mail, the cost of postage, envelopes, etc., would bring about an increased cost of insurance rather than a reduction. In view of the services rendered, industrial costs no more than ordinary, Mr. Stevenson declared.

Agents selling weekly premium business have been the cause of many policies being in force at the insured's death that otherwise would have been lapsed. It is necessary that these millions of policyholders be sold and resold. The agent must put forth every effort to see that these people continue their insurance in force as policyholders don't always have the money on hand ready to pay when the premium is due.

The weekly premium man has rendered an invaluable service to the American public. He is an ambassador of good will for all life insurance and breaks the new ground and sows the seed for production of future ordinary business. He goes to families that have never before carried insurance and sells them on its value and merit. Generally, these families are not likely to purchase more than a small industrial policy at the time of the agent's first visit, but often the family, or at least certain members of the family, will later have a need for and be able to pay for ordinary insurance.

Mr. Stevenson concluded by telling how industrial agents are trained to render service to both the humble and great with premiums ranging from a few cents to large amounts.

Seltzer Has Two Company Setup

Martin L. Seltzer, formerly Des Moines general agent of the Aetna Life, has been named Iowa general agent by General Accident and by Kansas City Life.

Mr. Seltzer started with the Travelers in 1908 and in 1923 went into organization work as field assistant. He served as assistant manager at Grand Rapids, Mich., and St. Louis. He joined Aetna Life in 1927 as assistant general agent for Iowa and was named general agent in 1929. He has been active in life association work having been past president of the Des Moines and Iowa associations of life underwriters. He is also past president of the Des Moines General Agents & Managers Club and a former trustee of the National Association of Life Underwriters.

Ohio Swindle Evidence Presented

CLEVELAND — Frank Cullitan, prosecuting attorney of Cuyahoga county, presented evidence before the grand jury gathered by the Ohio division of insurance on a widespread life insurance swindle scheme. It is asserted that industrial insurance has been

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gives the following stock quotations of life companies as of June 2, 1941:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	27	28 1/2
Conn. Genl.	10	.80	22	23 1/2
Contl. Assur.	10	2.00	34	36
Life & Cas.	3	.50	9 3/4	10 1/4
Lincoln Natl.	10	1.40*	29	31
New World Life ..	10	.30	9	10 1/2
N. W. Natl. Life ..	7.50	.30	3 3/4	4 1/2
Ohio Natl. Life ..	10	1.25	25 1/2	28
Old Line Life ..	10	.60	10	12
Travelers	100	16.00	395	410
Wis. National ..	10	1.00	16	18

*Includes extras.

placed on the lives of approximately 500 persons in Cuyahoga county without the knowledge of the insured. No proof of murder in an effort to collect insurance has been uncovered but there are a number of suspicious cases of men who have burned to death in shacks and killed under trains. The case was handled for the insurance department by G. A. Gorson, special investigator of Cleveland.

Annual outing and election of officers of the Toledo Life Managers Club will be held June 9.



"Say, fellows—this letter from the Company means six bucks more per month for me at 65!"

During June, such exclamations of joy will be heard in many GUARANTEE MUTUAL LIFE offices throughout the country, as quite a large group of men open letters from the Company informing them of the amount of income at Age 65 they earned for themselves during 1940, under Guarantee Mutual's Income Continuance Plan.

In this large group there are some, it is true, who earned a bit less than "six bucks," but there were a number of others who earned considerably more—because the amount is dependent entirely on the volume of quality business paid for.

This plan, embodying death benefits and non-forfeiture values before Age 65, and **requiring no contribution by the agent**, in combination with a liberal contract which provides "doubled up" renewals during early policy years (**with no reduction in first year commission**), is attracting men who want to be successful now—and remain successful after Age 65.

Write A. B. Olson, Agency Vice-President,
for Details of Our
"BUILDERS OF MEN" Agency Plan.

GUARANTEE MUTUAL LIFE CO.

OMAHA, NEBRASKA

Organized in 1901

Four safeguards for your life insurance dollars:

1. Our own investment specialists
2. Directors' finance & real estate committees
3. Diversification of investments
4. Geographic distribution



WITH MEN WHOSE BUSINESS it is to invest policyholders' money, safety is always the first consideration.

How does Metropolitan try to make sure that its investments will be safe?

In the first place, the law prescribes the kinds of investments which may be made. In addition, the Company surrounds your life insurance dollars with other safeguards. For example...

1. Investment Specialists. Because, like medicine or the law, the investment business is highly specialized, Metropolitan has a staff of investment specialists, each trained in a particular field. These men investigate thoroughly each proposed investment, compiling, weighing, and digesting a huge mass of information. Always, return on the principal is secondary to return of the principal.

2. The Finance and Real Estate Committees. After the work of these specialists has been carefully checked, each proposed investment must be approved by the Finance, or the Real Estate, Committee of the Board of Directors.

3. Diversification of investments. For maximum safety, money must be put to work in many different investments. Today, Metropolitan funds are at work in many types of industries, as well as in first mortgages on farms, office buildings, stores, and homes, and in the bonds of Federal, state, county, and local governments... more than 100,000 different investments in all.

4. Geographic Distribution. Metropolitan funds are at work throughout the United States and Canada. This wide geographic distribution of funds minimizes the effects of varying business or agricultural conditions that may arise in any one section.

Of course, each Metropolitan investment, once made, is carefully watched. Metropolitan's investment experts must be ever on the alert.

Because the interest earned by the Company's investments helps pay the cost of your life insurance, Metropolitan strives to earn the highest rate of interest consistent with safety.

During the past ten years, there has been a substantial decline in interest income on most

forms of investments made by life insurance companies. One necessary result has been to reduce the amount available for dividends to policyholders—a reduction which the savings in mortality and expenses have not been sufficient to offset.

These are four safeguards with which Metropolitan surrounds the funds that about 29,000,000 policyholders have entrusted to its care. They give assurance that in the future, as always in the past, the Company will fulfill all its obligations, in good times and bad.

COPYRIGHT 1941—METROPOLITAN LIFE INSURANCE CO.

This is Number 38 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements in this series will be mailed upon request.

**Metropolitan Life
Insurance Company**
(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD

Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



THIS IS THE THIRTY-EIGHTH in Metropolitan's series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. It appears in: Collier's, June 7; Saturday Evening Post, June 7; Business

Week, June 7; Time, June 2; American Weekly, June 1; This Week, June 8; Forbes, June 1; United States News, June 6; Cosmopolitan, July; Nation's Business, June; Fortune, June; Newsweek, June 2; American Mercury, June.

State Officials Hear Debit System Defense

Charles G. Taylor, Jr., second vice-president of Metropolitan Life, championed the cause of industrial insurance in a carefully prepared paper that he presented at a meeting of the sub-committee on industrial life insurance of the commissioners association in New York. Commissioner Harrington of Massachusetts presided as chairman.

Mr. Harrington in calling the meeting, said that the committee desired to listen to suggestions for further improvement and economy "to the end that criticism of industrial insurance may be minimized or eliminated."

The criticisms of industrial insurance most commonly heard, according to Mr. Taylor, are its cost, undue pressure for new business and excessive lapses; writing of excessive amounts and improper distribution of insurance in the family; policy provisions such as sound health and facility of payment clauses and character and training of agents.

Reasons for Higher Cost

Mr. Taylor observed that the higher cost of industrial insurance as compared with ordinary arises primarily from higher mortality and the service rendered by door to door collection of the small weekly or monthly premium. There has been a considerable improvement in recent years in the Metropolitan's mortality rate on industrial policyholders and this has produced better dividends. If the rate of mortality experienced among industrial policyholders is to approach that among ordinary, the underwriting would have to be such as would eliminate many that are now eligible for industrial and this would defeat in a measure the very purpose of industrial. He recalled the observation of Superintendent Pink of New York in commenting on savings bank life insurance, to the effect that while the requirement of a physical examination narrows its usefulness, it is probably necessary if the cost of the insurance is to be kept down.

The personal service that is rendered by the agent tends to make industrial more costly, according to Mr. Taylor, but it is necessary if the business is to persist and the policyholders are to be served on an economical basis. If the industrial policyholder had to remit premiums by mail or in person and had to handle all contacts by mail, the difficulties would be enormous.

Despite the degree of service that is rendered, the excess cost of industrial is not as high as might be imagined. He referred to the statement of the New York department after making a study of the Metropolitan's industrial division to the effect that the excess net cost in the industrial branch is about 15 percent of the industrial premium. That figure may be reduced to about 5 percent if premiums are paid to a district office continuously for a year. This was a comparison of industrial business with ordinary substandard.

Non-Forfeiture Value Notice

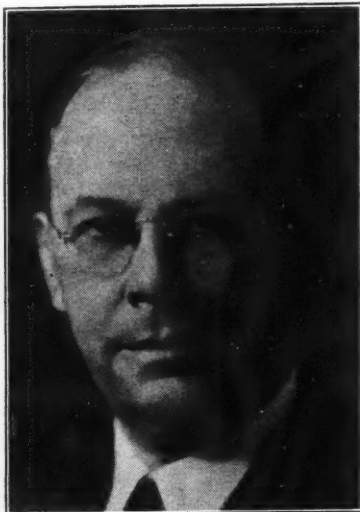
Certain suggestions as to compensation are being made today which would place an undue burden of expense upon industrial policyholders and Mr. Taylor said that the commissioners should resist such a step. He pointed out that Metropolitan and certain other companies have been giving a complete notice of non-forfeiture values to policyholders lapsing a policy which is entitled to such values. This is desirable and the expense is justified, but it does add to the expense.

Mr. Taylor contended that Metropolitan has made great progress in recent years in its administration. The management has impressed upon the field the importance of writing insurance for no other purpose than to meet the needs of the policyholder. There must be some enthusiasm in the agency

organization. Metropolitan has emphasized there should be no undue pressure for business and prevention of lapse should be a primary function of every agent. Metropolitan has undertaken to eliminate the type of business that is likely to lapse.

Agency Contracts Revised

Agency contracts have been completely revised with object of eliminating any type of compensation that leads to undue emphasis upon production and include features that encourage the writing of persistent new business. The lapses of each agent are analyzed. Of the



C. G. TAYLOR, JR.

industrial weekly premium policies paid for last year, the number not in force at the end of the year was only 10.9 percent. This was the lowest new business lapse rate in the records of Metropolitan. Also, its current aggregate lapse rate is the lowest in its history. For 1940 the total termination of premium paying policies excluding deaths and maturities was about 7 percent of the premium paying business in force.

CHECK ON SALES

Various home office underwriting rules exist for the purpose of avoiding the writing of excessive amounts and of avoiding improper distribution in the family. In unusual cases where the total amount of industrial under existing policies in all companies plus the amount of industrial applied for exceeds \$1,000 and where the life proposed already has ordinary insurance and appears to be still eligible for ordinary if applied for or where the weekly premium insurance issued by Metropolitan within 12 months plus insurance being applied for on the life proposed equals or exceeds \$500, special measures are taken to see that canvass was made for ordinary.

The writing of weekly premium insurance is limited as far as children are concerned to a total premium of 20 cents a week in all companies while for adults not more than \$500 of weekly premium insurance will be issued by Metropolitan within a period of six months.

Stress Ordinary and Monthly

The rules contemplate the writing of ordinary or monthly premium insurance rather than weekly premium where the applicant's circumstances permit.

There are rules to avoid the writing of insurance so that the premium would be beyond the financial means of the family. The industrial application form requires a statement as to the amount of weekly premium payable for existing

Metropolitan policies and for policies in all companies, income of premium payer and number of wage earners in the family.

Metropolitan has revised its industrial policies so that as far as practicable, they contain the same benefits that are contained in ordinary contracts. Metropolitan is opposed to granting loans under its industrial policies because of the excessive cost and the many problems that are involved. For the same reason settlement options and dividend options are not included and Metropolitan is giving a limited privilege of assignment, that is to banks and trust companies, so that when a policyholder desires his policy for use as banking collateral he may do so. Cash surrender values and optional reduced paid-up insurance are provided after three years. Automatic paid up term insurance is provided if premiums are paid for at least six months.

The sound health clause has been eliminated because it was subject to

misunderstanding and gave "source material to the unfriendly critic." In its place Metropolitan has included a statement that clearly informs the policyholder as to the limited conditions under which his policy may be contested. These conditions are more liberal than in the case of ordinary policies.

Provision is made for the designating of a beneficiary with the right to pay under the facility of payment clause only in a limited number of cases.

The training of agents has been greatly extended in the past 10 years by the field training division. There is careful selection of men according to a plan developed in cooperation with the Psychological Corporation of America. The turnover rate for agents in 1940 was just 6.8 percent. In 1939 the average agent of the Metropolitan had 7.6 years of experience.

The subcommittee met at the New York department's New York City office. While it went into all the criti-

(CONTINUED ON PAGE 10)

A man is known by the Company he keeps—and by his conception of the obligation to serve his clients honestly and competently.

A Company is known by the men it keeps—and by its acceptance of the responsibility to continually help them achieve even greater success.

Great Southerners and their Company are going forward together.

We need more men like these!



**GREAT SOUTHERN
LIFE INSURANCE COMPANY**

E. P. Greenwood, President

Home Office

Houston, Texas

IT MUST BE GOOD WHEN A 10 YEAR SUBSCRIBER SAYS:

*"We watch The Diamond Life Bulletins
more religiously than we do our diet.
It is too valuable to do otherwise."*

ONLY a satisfied customer could make such a statement — and we have a lot of them — as is shown by the fact that 1,162 Managers and General Agents have continuously subscribed to The Diamond Life Bulletins Service for 10 years or longer. We are rather proud of that record.

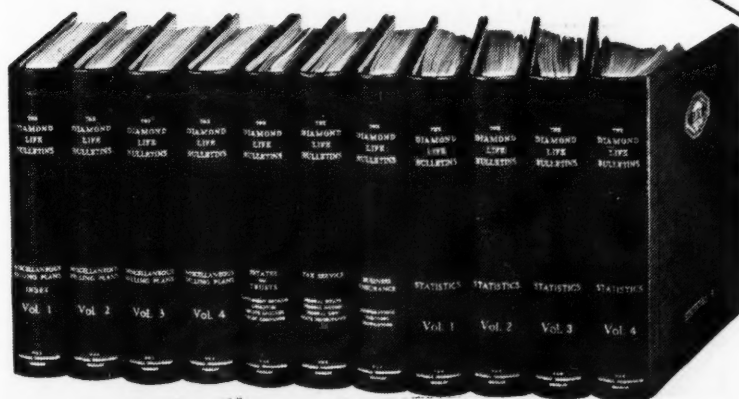
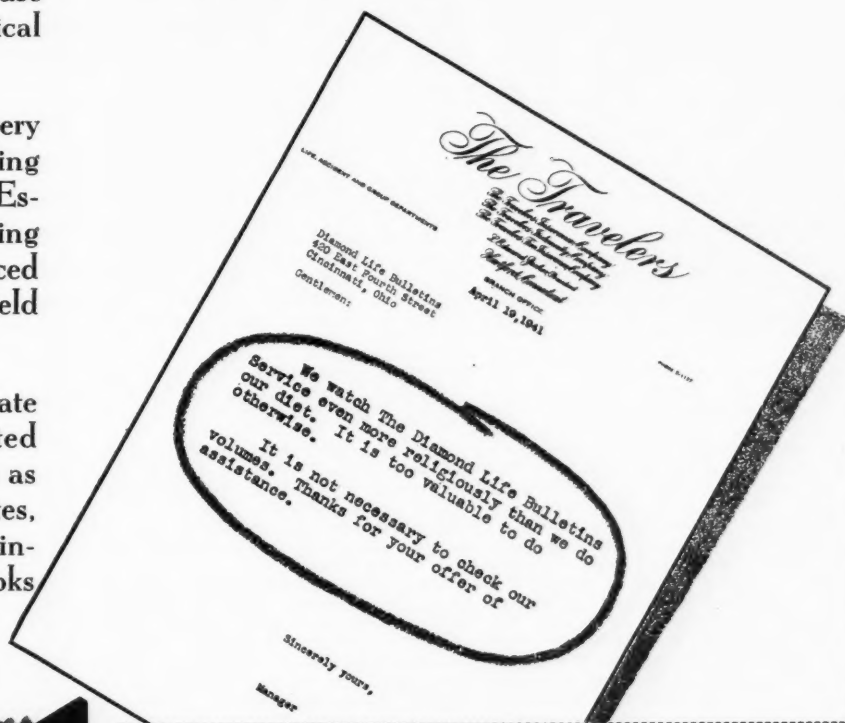
The Diamond Life Bulletins Service will give you everything you need and can use in the way of selling ideas and statistical information.

Selling ideas — 4500 pages treating every Life Insurance selling problem, including Tax Insurance, Business Insurance and Estate Planning. The only complete selling encyclopedia covering not only "Advanced Underwriting" but all other phases of field work as well.

Statistical Information — A composite rate book of 47 leading companies corrected monthly. Not announcements of changes as given in news magazines, but actual rates, dividends, surrender values and policy information as shown in company rate books and their supplements.

The Diamond Life Bulletins Service is standard equipment in 3,000 Agencies and more than a third of this number have used the Service 10 years or longer.

If you have not as yet installed The Diamond Life Bulletins in your office, it will pay you to investigate this Service. Just clip and return the coupon.



THE DIAMOND LIFE BULLETINS
420 East Fourth St., Cincinnati, O.

Please send me full information about the Complete Agency Service of The Diamond Life Bulletins.

Name _____ Title _____

Company _____

Street Address _____

City _____ State _____

Parity of Dollar in U. S., Canada Is Asked by Blackall

**Commissioners' President
Tells Dominion Life Officers
Move Is Essential**

TORONTO—G. W. Bourke, chief actuary of Sun Life of Canada, was elected president of the Canadian Life Insurance Officers Association at the annual meeting here. J. G. Parker, general manager and actuary of Imperial Life, was elected first vice-president, and H. W. Manning, general manager of Great West Life, second vice-president. As a result of Mr. Manning's advancement, M. J. Smith, chairman, president and general manager of Equitable Life of Canada, was named honorary treasurer. Bruce R. Power, secretary-treasurer, was reelected.

Immediate steps by the United States and Canada to place American and Canadian dollars at parity were urged by J. C. Blackall, president National Association of Insurance Commissioners and Connecticut commissioner, in an address. He noted the common ties between the two countries and their unity of purpose. There is also, he said, a common stake in the fire, life and casualty insurance fields. International dependence of the two countries is exemplified in the United States investment portfolios which have a large cross section of Canadian securities, and the reverse is true in Canadian companies. The structure of their policy contracts, methods of business development and practically all other phases are closely paralleled. For these reasons, Mr. Blackall stated, he was convinced there should be no discount or premium on the currencies of either country.

Blackall Calls for Unity

"It seems to me this is something we should all endeavor to bring about as speedily as possible. Where the interests of two peoples are so closely identified and where our problems are all the same it seems to me that certainly some means could be found whereby the Canadian and United States dollars could be permanently established on an even basis. There is no reason why this problem should be insurmountable."

He held one of the greatest bulwarks in the economic solidarity was life insurance. "This great and beneficent business has proven capable of resisting stress and strain in war times and economic depressions alike. Life insurance is well-equipped to cushion the blows occasioned by national as well as individual misfortunes, to absorb the excess mortality occasioned by war time conditions and to adjust itself to whatever changes may result after the battle is won and peace time conditions again prevail. Life insurance supervision both in Canada and the United States has been alert to the exigencies of these trying times."

Leighton Foster's Report

Despite war problems and higher taxation in Canada, life insurance here made satisfactory gains in 1940, R. Leighton Foster, association general counsel, reported. The total in force in Canada Dec. 31, 1940, was almost seven billions, an increase of about 3 percent over 1939 and an all-time high. Gain in force was approximately \$200,000,000. The net amount of new business was about \$600,000,000, a small increase.

There was a satisfactory termination rate, Mr. Foster said, "doubtless due to

(CONTINUED ON PAGE 25)

Notable Salute to Bay State Official

BOSTON—A testimonial dinner to Charles F. J. Harrington in recognition of his reappointment as insurance commissioner of Massachusetts was participated in by 700 insurance company executives, insurance officials of several states, representatives of insurance organizations, public officials and others,



C. F. J. HARRINGTON

representing all branches of the business.

Arthur D. Cronin, of Kaler, Carney, Liffier Co. acted as toastmaster and presented a dozen prominent insurance men who paid high tribute to the honor guest as a former insurance man, the first to be called to the commissionership in Massachusetts.

The speakers were President S. Bruce Black, Liberty Mutual; President W. R. Hedge, Boston and Old Colony; President Guy W. Cox, John Hancock; U. S. manager E. C. Stone, Employers Liability; President R. A. Sullivan, Boston Board; President F. R. A. McGlynn, Massachusetts Insurance Agents Association; President Harry E. Moore, Massachusetts Brokers Association; past National president, James H. Carney, Insurance Federation of America; past President G. P. Smith, Boston Life Underwriters; Vice-president R. C. Baker, Mutual Fire Association of New England, and Lieutenant Governor Cahill.

Receives Chest of Silver

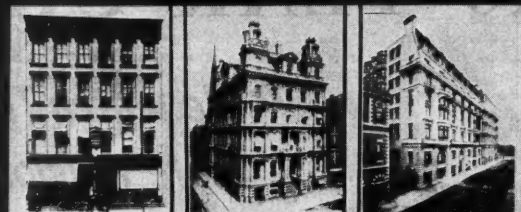
A chest of silver, the gift of his many insurance friends, was presented Mr. Harrington by James H. Carney in behalf of the gathering.

Commissioner Harrington responded feelingly and briefly to the tributes and gifts of his friends.

Among the notable guests present were Vice-president Jesse S. Phillips, Great American; Vice-president Howard P. Dunham, American Surety; President James D. Smart, New Hampshire Fire; Commissioners Francis of Maine and Morin of Rhode Island; President W. B. Cruttenden, Springfield F. & M.; President Marshal B. Dalton, Boston Manufacturers, former Governor Hurley of Massachusetts; President T. J. Falvey of Massachusetts Bonding; President George Smith, New England Mutual Life; President Charles E. Hodges, Jr., American Mutual Liability; Waldo Lovejoy of Massachusetts Bonding, and ex-Governor Lewis Barrows of Maine.

B. M. Baldwin, cashier Massachusetts Mutual Life, Toledo, has been elected a trustee of the Toledo Junior Chamber of Commerce. Hold-over board members include Lester Haring, New York Life, and Fred Richards, Ohio State Life.

A Picture of Progress



During the past 95 years as The Connecticut Mutual has grown, it has six times enlarged its Home Office to handle the protection of an increasing number of policyowners

1926



When this building was erected in 1926, 215,000 policies for \$674,000,000 were on the company's books. Today there are 345,000 policies for \$1,099,000,000

1941



Symbolic of the progress during the past 15 years is the recently completed addition of 70,000 square feet of floor space made necessary to handle this 62% increase in protection

**Connecticut
Mutual**
Life Insurance Co.

95 years of
Dependable Performance

J. M. Powell Heads H. & A. Conference

Unusually Well-Balanced Program Presented at Its Meeting in Chicago

Discussions of defense problems, public relations, hospitalization, personnel, claims, home office and agency management combined to make the program for the annual meeting of the Health & Accident Underwriters meeting at the Edgewater Beach Hotel in Chicago, one of the most interesting and well balanced that has ever been presented. It was arranged by G. A. L'Estrange, Wisconsin National Life, chairman of the convention committee.

The election of John M. Powell, president Loyal Protective Life, as president of the conference, gave recognition to one of its most popular and hardworking members and puts at the head of the organization a man whose actuarial training has contributed materially to his success as an executive and administrator.

He entered the actuarial department of Travelers in 1915. From 1920 to 1931, he was actuary of the Columbian National Life and during that time was a member of the actuarial committee of the Bureau of Personal Accident & Health Underwriters.

Has Headed Company Since 1931

He became president of the Loyal Protective in 1931 and in 1935 organized and became president and actuary of the Loyal Life, the two companies later being consolidated into Loyal Protective Life. He has dropped the title of actuary to devote his time exclusively to executive problems. He has served as secretary and vice-president of the conference and for the past year as chairman of the executive committee. He is now chairman of its non-cancellable reserves committee, which has completed its report on both active and disabled lives. Its work is regarded as of outstanding importance and has had a tremendous amount of favorable comment. The table prepared by the committee was recently enacted into law by the New York legislature and is being considered by the National Association of Insurance Commissioners for recommendation as a nationwide measure.

Mr. Powell is a member of the Actuarial Society of America, American Institute of Actuaries and Casualty Actuarial Society and has twice headed the Actuaries Club of Massachusetts & Northern New England companies.

Public Relations Stressed

The most important contribution from the public relations angle was the address by Holgar J. Johnson, president Institute of Life Insurance, on "The Importance of Public Attitude," in which he outlined the notable work that has been done along that line by his organization. Further contributions in that direction were given by C. W. Young, president Monarch Life, in his report as chairman of the public relations committee of the conference, and by C. N. Green, Hoosier Casualty, in his talk on "Public Relations Underwriting."

The part that accident and health insurance plays in national defense was emphasized by Paul Clement, Minnesota Commercial Men's, retiring president, in his address and the defense angle was brought out still further by Dr. C. M. Colignon, medical director, Campbell, Winant & Cannon Foundries, Muskegon, Mich., in his talk on "Importance of Industrial Health in National Defense Program."

H. C. Pogue, manager group department Business Men's Assurance, reviewed the growth and development of group hospitalization and urged that in-

surance companies give more attention to bringing home to doctors and hospitals the financial benefits which they are receiving from insurance and insurance companies. J. G. Crownhart, secretary State Medical Society of Wisconsin, told what the proposals now advocated in this country for compulsory health insurance really mean as indicated by an exhaustive study of the plans now in effect in European countries.

The panel discussion on various phases of agency management, conducted by Francis L. Merritt, Monarch

Life, chairman of the agency management committee of the conference, was as usual one of the most interesting features of the meeting.

Manages New Charlotte Branch

Blake B. Harrison has been named manager of the new Connecticut General Life branch in Charlotte, N. C. Mr. Harrison was born in North Carolina and is a graduate of Duke University. He joined the company in 1928 as a soliciting agent at High Point, N. C. Later he was group and claim representative

in North Carolina and Virginia and group manager in New York City and Newark. For the last four years Mr. Harrison has been manager of group sales at the home office.

Charles Spatafore, Pittsburgh agency, led all Ohio State Life agents in volume in the company's 35th anniversary campaign.

W. E. Moore, Pacific Mutual general agent at Wichita, has been named president of the newly formed Cosmopolitan Club of that city.

Family Defense thru Life Insurance

A family is a nation in miniature . . . it, too, has its problem of preparedness. Fortunately, the family's "defense committee of one" can provide protection immediately, through life insurance, with the first premium.

This is the basic message which New England Mutual's 1940-41 series of advertisements has carried

to the millions of readers of *THE SATURDAY EVENING POST*, *TIME*, *NEWSWEEK*, and the nationally circulated *NEW YORK TIMES SUNDAY MAGAZINE*. The campaign, which has demonstrated the necessity for life insurance in these critical times, has proved of real help to New England Mutual's career underwriters.

NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

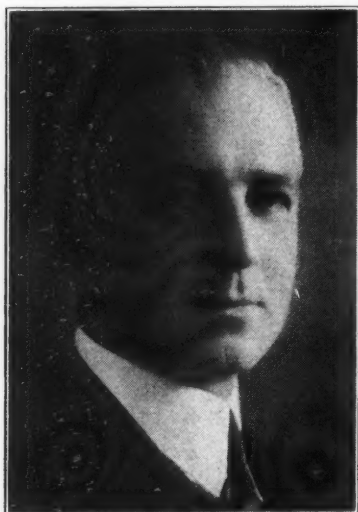
GEORGE WILLARD SMITH, President

★ FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA ★

Devlin Heads Canadian Group

Effect of War Conditions on Recruiting and Selling Is Discussed

TORONTO—C. D. Devlin, assistant general manager of Confederation Life, was elected chairman of the Life Agency Section of the Canadian Life Insurance Officers Association. Vice-chairman is J. A. McCamus, superintendent of agencies of North American Life of Canada. Other members of the committee include C. C. Martin, superintendent of agencies of Northern Life



C. D. DEVLIN

of Canada; M. W. McCutcheon, assistant general manager and secretary of National Life of Canada, and George H. Hunt, general superintendent of agencies of Imperial Life.

H. A. H. Baker, assistant general manager and superintendent of agencies of Great-West Life, in an address said there were too many secondary responsibilities for the agency manager today. "The manager hasn't time to do his proper job."

Imperial Life Finds Answer

Despite war conditions, which have taken many life agents in Canada away from their business and placed them either in the army or in war work, and although there is reported to be a general shortage of manpower, Imperial Life of Canada apparently has discovered ways and means of recruiting new agents who can produce new business in fairly substantial amounts, it was evident from the remarks of George Hunt.

In 1940 the new men appointed produced new business in excess of \$2,000,000, which was more than the 1939 record, he said, and it took 48 fewer men to do it. For the first four months of 1941, the new men appointed in 1940 produced \$1,010,000 of business, showing that a large number of the men appointed in 1940 appear to be permanent acquisitions to the field force.

Mr. Hunt said in the first four months, 44 new full-time appointments were made, and well over one-half million in new business resulted.

Conditions Create Opportunities

He discounted, in part, the argument that good insurance men are difficult to find. An Imperial Life analysis of the situation shows at least 12 reasons why it is possible to secure new life agents today. Higher taxes on luxuries are driving sales agents from that field into newer fields, and these are available to insurance; commission representatives of British companies, having difficulty in getting supplies from abroad, are

available; some agents in industrial and other companies are concerned regarding internal conditions in their companies and are on the lookout for new and more profitable connections; and some companies which have suffered sharp sales reductions in their ordinary lines, due to government priority for war materials, find their agents also looking to the possibility of life insurance selling.

Unemployment Insurance

W. M. Anderson, assistant general manager of North American Life, Canada, discussed Canada's new unemployment insurance, which goes into effect in July. It will have a marked effect upon the life insurance market, he said.

He also commented on the status of life agents under the act, saying the advantages of their exclusion are that they are unlikely to obtain insurance benefits since the circumstances of termination of contract ordinarily would not entitle them to benefit, the difficulties of administering the act with respect to agents are great and would impose a substantial burden of operating expense on insurance companies; the classification of agents as "employees" might lead to a similar classification under provincial minimum wage acts, and under the U. S. social security, agents are deemed to be independent contractors, and it would be undesirable to have American agents ineligible for unemployment benefits while Canadians were eligible.

Advantages of Inclusion

Arguments for inclusion of agents, he said, are that it is not equitable to deprive agents of benefits to which they may be entitled; new agents will be drawn largely from insured employment classes and recruiting may be difficult if they cannot get insurance; inclusion of agents will tend to make companies eliminate non-producers, and in eight of the nine provinces an agent can transact life business only through one company, so for this and other reasons his contractual status is akin to that of an employee.

Results of a Sales Research Bureau survey into the practicability of the aptitude index were reported by John Marshall Holcombe of Hartford, manager. Of 900 full time inexperienced males in the United States, it was found of 100 men who rated "A" in the index, 40 remained in the business, and of 100 rating "E" only eight remained. Average production of the survivors in "A" rating was \$84,000 of paid for business annually, and for the "E" grade \$36,000. For every 100 new "A" grade agents hired by a life company, sales of \$3,400,000 would result, and for the same number of "E" classification this figure would drop to \$300,000.

Holcombe Gives Some Data

The chances of securing new agents who could produce \$75,000 of new business in the first year were 21 in 100 for "A" grade, and nil in 100 for "E" grade. The chances of getting producers of \$100,000 new business, in their respective grades, would be: "A," 14 in 100; "D," 1 in 100; "C," 1 in 100; "E," nil in 100.

These figures, Mr. Holcombe said, were derived from the United States, but would give a fair picture of the Canadian situation.

He urged companies and agency managers to give much more consideration to the question of morale, especially in keeping up the morale of agents by recognizing them and realizing it is the business they bring in that keeps the ball rolling.

Christopher Elected in Birmingham

BIRMINGHAM, A. L. A. — O. H. Christopher, Kansas City Life, has been elected president of the Birmingham Association of Life Insurance Cashiers to succeed G. E. Shields, New York Life. Other officers are L. T. Lawler, Equitable Society, vice-president and Mary Holmes, Penn Mutual Life, secretary-treasurer.

STORIES FROM LIFE



The one was on the Avenue. She was bright of eye, firm of step, fashionably clothed. Her neatly gloved hand held the grasp of a child, full of life, laughing at some joke between the two.



The other was on a Narrow Back Street. She was pale, thin, undernourished. Her garments were faded and insufficient. Her child was badly shod, ill-clothed, sad-eyed, silent.

THEY WERE BUT GLIMPSES

We could not prove the poverty of one nor the prosperity of the other.

We do not know whether the difference was due to opportunity, to environment, to accident of birth or irony of fate.

This we do know: Deprived of income, the Lady of the Avenue might have been forced to the environment of the Narrow Back Street. Given an income the Lady of the Back Street might well have reached the Avenue.

Without money, in property or income, women or children often have to taste the dregs of life. It is our job to keep them on the Avenue.

STABILITY—SAFETY—SECURITY

PROVIDENT MUTUAL

LIFE INSURANCE COMPANY OF PHILADELPHIA
Pennsylvania • Founded 1865

Industrial Legal Men Meet in South

Hold Forum at Richmond on Taxes, Wage and Hour Questions

RICHMOND, VA.—Major problems discussed at the legal forum of the Industrial Insurers Conference included taxes, wage, hour, and unemployment questions, Wagner act, South Carolina punitive damage law, soldiers and sailors relief act, and federal supervision. Chairman P. M. Estes, general counsel Life & Casualty, presided over the full day deliberations.

"Helpless as we may be to control events, or even foresee them, it can at least be determined that we do not propose to abandon our businesses and cut adrift all associated with us in our enterprise," Mr. Estes declared in his opening remarks.

Agents Are Best Educators

The importance of acquainting legislative representatives with the problems of the business was emphasized by Mr. Estes. "In my judgment and experience our most effective aids in this educational work are our field force. They are numerous, have strong practical sense, are judges of human nature, and occupy a position of electoral influence in the community that no other element can approach," he stated.

"They are intensely interested, they are naturally resentful of any attempt to deprive themselves and families of their livelihood. They lack only two things—the green light and acquaintance with the issues involved."

Mr. Estes took the question of the cost of industrial as one of the topics on which the fieldmen could receive instruction, stating that he had just put his idea to the test of actual practice with the agents of his company, with excellent results.

Industrial insurance is probably distributed at less cost than any other commodity, Mr. Estes declared. He suggested giving agents comparisons of the cost of distribution of other commodities sold at retail and paid for in installments to agents.

Tax Situation Is Depressing

"Taxation is a subject on which nothing pleasant can be said," C. A. Craig, chairman National Life & Accident, declared. Mr. Craig said that the insurance premium tax increases in Texas and Oklahoma were warnings of what would happen in other states if the situation were not watched.

Federal and state Wagner acts and procedure under the acts were described by J. S. New, general counsel Eureka-Maryland, and A. F. Canfield, general counsel Peoples Life, D. C.

Discusses S. C. Damage Law

A. C. Tobias, Jr., general counsel Carolina Life, traced the development of the South Carolina punitive damage law since it was applied more than 100 years ago. It applies to cases in contract if a breach of contract is attended by a fraudulent act. W. C. Ellis, Franklin National Life, said his company was determined to carry every case through the courts, rather than settling them for their nuisance value.

The address of Estes Kefauver, representative from Tennessee and general counsel Provident Life & Accident, on "Federal Supervision of Life Insurance and the T.N.E.C." made a great hit and it will be distributed in mimeograph form.

Mr. Kefauver urged decentralization of government rather than federal concentration. Insurance regulation should be left to the states. There is good reason to feel that the situation would only be confused and perhaps damaged by shifting supervisory powers from

the states to the federal government. He deplored the present federalistic trend. Referring to the TNEC investigation, he said that nothing can be gained in attempting to smear it or the members of the committee who made it and insurance will only hurt its case by so doing. The hearing may have wandered afield from the authority given it, but the fact remains that the investigation has been made and that there is much agitation for federal supervision. The suggested insurance federal advisory council will only be an entering wedge, he stated. It has been suggested that federal regulation can eliminate some of the "bootlegging" business sold by mail and radio. Commissioners have been making headway in working out this problem and can remedy it altogether.

The closing legal forum address was made by Richard Moore, counsel Home Beneficial, who analyzed the soldiers and sailors relief act.

Aspects of the wage and hour law were analyzed by F. S. Normann, general counsel First National Life, and F. E. Spain, general counsel Liberty National Life. John Marshall, Jr., general counsel Kentucky Central, discussed the law from the point of view of the commission contract. The agent compensated solely by commission is not subject to the unemployment tax. When salary and commission are both paid, they are both taxed. Interpretation of the law largely devolves on interpretation of the word "solely."

The commonly accepted definition of commission is too narrow, Mr. Marshall stated.

Aetna Life Contest Marks 50 Years in A. & H. Field

Aetna Life during June is conducting an accident and health contest commemorating the completion of 50 years in the accident business. Preparations were carefully made and unusual interest is being taken in the campaign. A variety of prizes is offered and the leader in lives, who must have a minimum of 75, will be given a trip to the home office as will the leader in volume, providing he has a minimum of \$1,500.

Ira Travis, Aetna Life, San Antonio, Tex., has been elected vice-president of the San Antonio Junior Chamber of Commerce and vice-president of the Alamo Heights Lion Club.



ACTIVE

PROSPECTS are like flowers in the spring for the agent who keeps busy with the help of John Hancock Readjustment Income Sales Plan. Because it meets a universal need, it appeals to family men of all incomes. And national advertising reinforces the salesman's approach.



Need for Relief Act Explanation

Selective Service Administrators Recommend Distribution of Pamphlet

An opportunity to render service and also to aid in the conservation of business presents itself in the practical administration of the soldiers' and sailors' relief act of 1940, according to selective service system administrators in Chicago.

Although there have been technical explanations of the relief act published, there are no pamphlets or leaflets available for general circulation among the men called to military service and their families. It has been suggested that some life insurance organization prepare such an explanation for distribution in army camps and to the families of those called to service. Such a pamphlet would necessarily have to be strictly non-commercial in order to get the cooperation of army officials and service organizations.

Must Be Inducted Into Service

Applications for relief under the act cannot be filed until after the draftee has been actually inducted into service which creates difficulties. For several weeks after a draftee goes to camp he is busy readjusting himself so that such things as insurance are farthest from his mind. In many camps relief applications have not been available and information has not been forthcoming from commanding officers. Then, too, the blank calls for certain information which must be taken from the policy such as the face value, effective date of insurance, policy number, premium due date and policy loans.

Needs Help on Application

Although the application blank itself is not particularly complicated, the average person needs some help in filling it in. Once it is filled in, it is not difficult to get the commanding officer to sign it as he only attests to the fact that the insured is on active duty.

Public minded citizens are forming soldiers and sailors service councils to render free help on personal problems to service men and their families. The Illinois council with Chicago headquarters has just issued a booklet outlining the aid the council can render, including applications under the soldiers' and sailors' relief act. Copies of the booklet are being sent to military camps for distribution. The problem of insurance "which costs more than he can carry on his service pay" is mentioned, but space does not permit further explanation.

Willing to Distribute Explanations

R. F. Davies, executive secretary of the Illinois council, reported that he would be willing to distribute an appropriate insurance premium relief explanation and heads of similar organizations undoubtedly will be willing to cooperate.

Men in service are invited to write to the council for help but in addition a great deal of office service is rendered families. Mr. Davies reported that several hundred insurance inquiries have been received and family members have been inquired about paying insurance premiums after notices have been received at home while the insured is in camp. Mr. Davies refers these to insurance offices and he reports splendid cooperation from insurance men. However, until recently Mr. Davies has not been able to secure relief applications from the Veterans Administration in Washington which has been hesitant about distributing the blanks freely, contending that they can be secured at military camps.

Both draftees and members of their families have a vague idea about the relief act provisions and the general impression is that the government pays the

Selective Service Medical Results Are Compiled

Of the 82,565 selective service registrants whose medical reports were studied, 37,329, or 45.21 percent, were from 18 to 25. Of them, 21,897 were accepted for full military service and inducted into the army, while 8,373 were classified as I-B, and 7,059 were disqualified for any service.

In the 26-31 bracket, there were 25,900, or 31.37 percent. Of this group, 12,418 were accepted for service, 7,316 were classified as I-B, and 6,166 were disqualified for service. In the 31 to 35 bracket were 19,336 registrants, of which 6,948 were actually inducted, 6,756 classified as fit for limited service, and 5,632 held unfit for any service.

Of the 41,263 men now taking their year's training, 53.07 percent are in the lowest age bracket, 30.09 percent are in the middle group, and 16.84 percent are "oldsters."

Of each age group finally accepted for service, 58.64 percent were 18-25, 47.94 percent of the middle bracket, and 35.91 percent 31 to 35.

The men disqualified for any service in each group showed that 18.95 percent of the youngest bracket was rejected, 23.81 percent of the middle group, and 29.24 percent of the oldest.

premium but little is known about the repayment provisions. Consequently, it is imperative to explain the advantages of the plan and the desirability of keeping the business in force. Draftees with policies in force for only a short time have a tendency to be hesitant about keeping policies in force in view of the repayment provision, Mr. Davies reports.

Any explanation which is issued should be simple and clear. Information on back of the relief application tends toward the legal side so that a layman's interpretation would be greatly appreciated.

FEAR HIGH LAPSE RATIO

SAN ANTONIO, TEX.—Fear that a high lapse ratio will be experienced on business financed through the soldiers' and sailors' relief act was expressed in a discussion at the San Antonio Cashiers Association's meeting. The consensus was that when some other plan can be arranged for financing premium payments it is advisable to use such plan. When an assured borrows on a policy he may take any length of time for repaying a loan without forfeiting his protection while under the relief act, prompt repayment is necessary.

See Unethical Practices

It was brought out that some agents have seen fit to use the sailors' and soldiers' relief act as a sales point and in some instances have resorted to what may be considered unfair to the government in that the insurance so sold is to supplement insurance already held without any thought of continuance after the service period. This matter had been brought to the attention of an adjutant general, who has held that such practices come under the "purposes to perpetrate a fraud" statute. U. S. authorities, it was indicated, are moving to correct the statute so that possibility of unethical acts may be lessened.

W. W. Chambreau Joins New York Accounting Firm

William W. Chambreau, tax consultant and consulting actuary of Washington and Chicago, has become associated with Barrow, Wade, Guthrie & Co., certified public accountants. Mr. Chambreau will make his headquarters at the firm's main office in New York City. He will have general supervision of the firm's life insurance division, with special reference to surveys, system work, examinations and annual audits of life companies. He will continue his practice as consultant.

Ten-Point Public Relations Program Given by Johnson

A 10 point program of public relations for everyone in any way connected with the insurance business, as essential for accident and health insurance as for life insurance, was presented by Holgar J. Johnson, president Institute of Life Insurance before the annual meeting of the Health & Accident Underwriters Conference in Chicago.

"If the insurance business is to fulfill its responsibilities adequately, there are certain fundamentals which must be followed by everyone in the business," Mr. Johnson said, "and while the list might well be made much longer, there are at least these 10 things which are on the 'must' list today:

"1. Provide a thoroughly qualified, well trained organization of agents because they, insofar as the public is concerned, represent the business in its only direct point of contact with the public.

"2. So direct these agents that there will be no smart or trick sales effort used and also to see that adequate service is rendered to supplement the sales effort.

Up to Minute Basis

"3. Maintain all operations on a thoroughly up-to-the-minute basis, constantly seeking all possible improvements, liberalizations and added features of public interest.

"4. Endeavor to provide the insurance protection at the lowest cost consistent with safety, using research to uncover all possible avenues toward that end.

"5. Impress upon everyone connected with the company home office as well as the field, that every contact with the public, whether in investment department, medical, routine correspondence, advertising agency department and even elevator operation is an important public relations contact.

"6. Seek out the public attitude on all insurance practices and strive to do more of those things the public wants done and eliminate those things the public dislikes.

Study National Trends

"7. Closely study the national economic and social trends and make certain the insurance practices are at all times in harmony with the public interests, keeping in mind, however, that proven safeguards must not be sacrificed for temporary shifts of public attitude.

"8. Cooperate with the state supervision system toward the end of helping make it more effective and help eliminate any weakness which may possibly exist.

"9. It is essential to realize that the public must necessarily form its opinions not only from performance but also from what it understands; that things which are obvious to insurance people may be totally unknown to the public; and that the voice of the critic is sometimes louder than its true proportions only because the other side of the story has not been told.

Give Public Full Facts

"10. Constantly tell and retell to the public the full facts about the business that will give them a sound understanding and appreciation of it and prevent misunderstandings and misconceptions; utilizing officials, home office personnel and agents, advertising, publicity, company literature and all printed matter—in short, every medium by which the public is contacted at any time.

"These points may seem obvious," Mr. Johnson said, "but the truth is that the insurance business has not always kept these objectives clearly before it in the past. We have been far too inclined to believe that all the public knew all about insurance; that the fundamental truths were too obvious to need reiteration; that public attitude was merely the

Canadian Life Sales Affected by War

Heavy war financing campaigns in Canada are affecting life insurance production, A. Gordon Nairn, field supervisor of the Life Underwriters Association of Canada, declared in an address at the annual meeting in Toronto of the Canadian Life Insurance Officers Association. He commented on the noticeable reduction in agency numbers as a result of enlistments and competition of war industries, which is most observed in the ordinary end of the business. The earning level of those remaining may have been improved. A lower average size policy is being sold at a lower premium rate. To overcome volume reduction and reduced earning level, a greater number of policies must be sold and more work hours put in by men in the field.

Production Is Fluctuating

Mr. Nairn discussed obstacles confronting life agents as a result of the war financing. Life sales during the war have seemed to fluctuate up and down according to successes and setbacks in developments overseas.

Increased cost of living, taxes, war savings and bond purchases will reduce the ability of many Canadians, especially in the middle income brackets, to purchase life insurance. Many people will have to readjust their living standards, choose more carefully between expenditures for necessities and for luxuries. Life insurance is recognized as a necessity and will not suffer in this test. The life agents should capitalize on this situation. "People are convinced they should make sacrifices for individual and collective political security. We must convince them there is available another form of security of equal importance to them and their families—economic security—and that it is bought in exactly the same way as political security, by individual sacrifice, pooling the savings of all."

Mr. Nairn urged the government, in studying future taxes, keep in mind preservation of basic living standards that will include, among other necessities, the retention or purchase of sufficient life insurance to insure some basic security for dependents. He said it "is not in the best interests of the country for the individual to lend money to the government at the expense of adequate life insurance protection."

Life field men, he said, feel strongly about the Dominion government selling annuities at below cost prices. The individual is being asked to curtail non-essential expenditures, and life men feel the government should do likewise and put an immediate stop to this annual loss which is increasing year-by-year.

result of those engaged in direct public contact.

"Insurance is today far from being properly understood by the public, especially as to their stake in the business; what are obvious truths to us are not only unknown to the public but in some cases difficult to comprehend when presented in the technical language of the business. Public relations are today the responsibility and interest of everyone in any way connected with this business."

Allows Defense Stamp Deductions

National Life will make it possible for its 300 home office employees to purchase U. S. defense stamps on a salary-deduction plan. Stamps in amounts designated by the individual will be purchased by salary deductions made semi-monthly for 12 months. Deduction of one dollar each for the first three semi-monthly periods and deductions of 75 cents each for the 21 following periods, or a total of \$18.75, will buy a defense savings bond worth \$25 at the end of ten years after date of purchase of the bond.

June 6, 1941

Texas State Group Has Big Meeting at Beaumont

(CONTINUED FROM PAGE 3)

tion, and sell future income rather than death benefits.

Industrial insurance has played an important part in bolstering the economy of the nation in periods of financial stress, E. B. Stevenson, Jr., vice-president National Life & Accident, told agents. The industrial agent is an ambassador of goodwill who often plants the seeds of a real insurance program.

The importance of proper pre-approach, selection of a favorable time to call, and securing a medical examination was emphasized by Louis Behr, Equitable Society, Chicago. It is always well to include the prospect in benefits primarily designed for protection of wife and children, Mr. Behr advised.

At the luncheon honoring past presidents, Francis Bray, New England Mutual, Houston, toastmaster, paid tribute to the roster of 14, 12 of whom were president. J. H. Little, president of the Beaumont association, presided at the afternoon session.

George Van Fleet, actuary, Texas Insurance department, discussed the "Fourth Dimension of Life Insurance."

Resolutions pledged association support of all unselfish defense efforts and co-operation with Gale Johnston on defense bond sales, and opposed reduction of the minimum amount of tax exempt life insurance because of its character as an indemnity.

The association endorsed John Witherspoon for president of the National association, Grant Taggart for vice-president, W. H. Andrews for secretary, and for trustees, Tom B. Reed, Jul B. Baumann, William Hartshorn and H. C. Lawrence.

The Dallas association was awarded the group's trophy for outstanding work. Lubbock was selected for the next convention.

Wright Tells of Fight to Remove the Unfit

"If companies and general agents are lax in revoking the contracts of unfit and unproductive agents, it is up to the career agents to insist that this be done," Harry T. Wright, president of the National Association of Life Underwriters, asserted in addressing the Texas meeting.

Mr. Wright emphasized that one of the main objectives of his "personal-producer" administration was to rid the business of the unfit agents, its "poor ambassadors, who do nothing but tear down the prestige, good will and confidence in life insurance engendered by the institution's good ambassadors, the professional life underwriters."

Mr. Wright explained that the good agent does not have to be the large producer but his definition of a good agent is one who properly serves his clients and who makes a living out of the business.

Mr. Wright said the N.A.L.U. is making a concentrated effort to secure further signatory companies to the agency practices code. This is being done through a survey among signatory companies to determine standards of measuring fit and unfit agents, and among non-signers to determine objections to the code. The code will be strengthened in line with the data received, Mr. Wright declared.

Mr. Wright said that when Charles J. Zimmerman, chairman of the agency practices committee, and he were in New York recently, they arranged a meeting with members of the Association of Life Agency Officers to try to

work out some progress along these lines.

"Our second line of action," he went on, "is to increase the number of local agency practices codes, which are established and signed by the general agents and managers of a community. Such codes are often more effective than any other means, since stricter observance can be obtained when all the signers are in a single community."

"Third, if general agents fail to set standards and to revoke the contracts of unfit agents in their employ, the National association, representing the career agents, will ask that this be done."

"Fourth, we advocate strongly that individual agents write to their home offices expressing their views on the code. Today companies are anxious to hear the reaction of their field forces on all matters of joint interest. It is possible that many companies are waiting for a definite reaction from their agents before taking positive action on the unfit agent question, and so it is doubly important that fieldmen make their home offices aware of their attitude on the problem."

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

Novel Blotter Campaign for Mass. Mutual Agents

SPRINGFIELD, MASS. — Massachusetts Mutual Life has got out a series of calendar blotters to be sent out by agents to their prospects and clients each month. These are attractively designed and each one has, in addition to the calendar for the month, a short observation on some timely topic, and a picture of the agent. Blotters have long been firmly established as effective mailing pieces and the addition of the agent's picture gives it a personal touch.

A principal aim of the blotter series is to keep the prospect or client reminded of the agent who has made a selling presentation. Too often it happens that the agent who really made the sale misses out because someone else comes along at the moment the prospect is in the mood to buy and he forgets that he had really been sold by a previous agent. Another object is to pave the way for the first call. Having seen the agent's picture on the blotters, the prospect knows what he looks like and the first call should proceed on a more relaxed and friendly basis.

Not the least important part of the campaign is that the agent can't send these blotters out unless he has the

What "Man of the Hour" Thinks of Life Insurance

"If I had my way, I would write the word 'insure' over the door of every cottage, and upon the blotting books of every public man; because I am convinced that for sacrifices that are inconceivably small, families can be secured against catastrophes which otherwise would smash them up forever. It is our duty to arrest the ghastly waste not merely of human happiness, but of national health and strength which follows when, through the death of the breadwinner, the frail boat in which the fortunes of the family are embarked, founders, and the women and children are left to struggle helplessly on the dark waters of a friendless world."—Winston Churchill, prime minister of Great Britain.

names to send them to. Because he pays part of the expense, the agent has reason to be selective in the names that he picks for circularizing. The blotters were devised by S. M. Gamble, agency assistant.



"... AND MOTHER AND DADDY"

but if something happened to her Daddy, would she and the others grow up having the things he hoped for? Would Mother be able to carry on in the same way?

Such is the Great-West Life's approach in stressing the universal need for family protection. Representatives are given the full support of the Company's advertising plus new and proven sales aids.

THE GREAT-WEST LIFE ASSURANCE COMPANY

Head Office.....Winnipeg, Canada
Business in Force.....\$640,255,615

Underwriting Trends Are Treated at Toronto Meeting

(CONTINUED FROM PAGE 1)

Mr. Williamson said, "but the war has interfered with the complete revision due this year. The occupational committee has held a number of meetings during the past 12 months and has made some changes in the ratings and these have just been made known to the companies. To the schedule already in use for explosives manufacture has been added a section covering those employed in the manufacture of munitions."

Aviation Rules Recently Revised

Mr. Williamson said some revisions were made in aviation risks in March. "We will now accept at standard rates fare-paying passengers on scheduled routes up to 100 hours, charging \$3 for over 100 hours and not over 150 hours, with \$1 extra for each additional 50 hours," he explained. For air-line pilots, the extra was reduced to \$18 but the policy contains the usual war clause.

Unless mortality improves in the 40-45 age bracket action by some companies is likely to be taken to reduce the age limit or the amount accepted in non-medical insurance, Mr. Williamson said. Most Canadian companies accept non-medical evidence for ages up to 45, inclusive; one company limits to age 40 and one takes up to age 50. Most published experience in Canada indicates non-medical mortality up to age 39 at issue is as good as the medical but for ages over 40 not so favorable.

Effects of Reinsurance

Mr. Williamson said reinsurance agreements among Canadian companies have had the effect of standardizing the limits of retention for substandard risks and in several companies the retention for cases rated 125 percent is at least 90 percent of the standard limit; for cases rated 150 percent, 75 percent of the standard limit. "In comparison with the sub-standard limits of some of the American companies, the difference is quite noticeable," he added.

Uniformity in rules, Mr. Williamson said, is advantageous from the viewpoint of the company, because it protects it from strong competition for substandard business. This competition has proved costly, as it inevitably leads to a company securing less than the proper protection on its sub-standard business. Rules uniformity produces uniformity in selection from day to day in the business of a company; simplifies the work of the selection committee; makes it easier to impress upon agents the equity of the decisions.

Other Benefits Are Noted

It does not necessarily interfere with the judgment of the individual in any particular case but serves as a guide to prevent action which would be unfair to the applicant and company. It has resulted in a freedom of discussion of any particular case among the medical committees of the companies.

Applicants have been enabled, Mr. Williamson said, because of the care which has been exercised in studying mortality experiences of all types of substandard risks, to secure insurance on equitable terms where formerly many would have been refused. This cooperation among Canadian companies also protects the interests of all other policyholders and does much to avoid discrimination in respect to various groups of policyholders, standard as well as substandard. It has resulted in greater confidence by the public since it is realized a well-studied basis is more scientifically correct.

Agents Are Better Satisfied

It prevents dissatisfaction among the agents who feel they have a just grievance when a risk which has been offered on a certain basis by their own company is taken on apparently more favorable terms by their competitor. It prevents disorganization of the field force and lessens the danger of a valued representative making business connections

with another company which might be thought to be more liberal on substandard risks. It enables the agent and company to place a much greater proportion of substandard cases.

"The greater uniformity of selection which has been secured is of definite assistance in the handling of large risks, especially if they are substandard," he said. "The uniform treatment of the substandard risk enables the company to issue the full amount applied for since the company is able to reinsure amounts beyond its retention."

Tells of War Clause Proposal

A committee of the Canadian Life Insurance Officers Association in a recent report of recommendations on extra rates under the war clause, included a recommendation for groundsmen who are mechanics, repairmen, etc., and for administrative officers and men

in aviation service in Canada, it was reported to the home office underwriters by President Williamson.

The recommendation is that \$5 per \$1,000 be charged to cover those who have flown or are likely to fly more than one hour per month. This is intended to cover men who are flying in the course of their duties, and if the rank in the air force changes, they are to notify the company and pay such extra premium as the new rank requires.

If they have flown or are likely to fly more than one hour per month, then the minimum extra is to be \$10 but as high as \$40 may be charged, depending upon the amount of flying.

For doctors in the Royal Canadian air force the rate quoted above applies, except that no rate can be recommended for those who are doing research work and who may be called upon to do aerobatics.

Notes Some Distortion in Mortality

Some upward adjustments in the mortality ratios should probably be made, especially at ages 50 and over, in all recent studies of impaired lives,

Pearce Shepherd, assistant actuary of Prudential, suggested in his paper before the Home Office Life Underwriters Association's meeting here. Mr. Shepherd based this statement on tables taken from recent blood pressure studies but said the same consideration would very likely apply to other studies as well.

While in the usual mortality study the basis is such that 100 percent represents standard mortality, in Mr. Shepherd's opinion the actual mortality at ages 50 and over is probably somewhat lower than 100 percent of the tables taken as standard, causing impaired-lives mortality to seem less unfavorable than it is.

Cites Possible Cause

A possible explanation, he said, lies in the fact that the basic table 1925-1937 represents death rates based on amounts of insurance, whereas the study of impaired lives to which he referred was based on policies. An experience by amounts of insurance gives considerable weight to the experience on policies of large amounts. One policy of \$100,000 carries as much weight as 100 policies of \$1,000. If, as there is good reason to believe, the death rate among those insured for large amounts has been higher than for those insured for small amounts, the resultant death rate will be too high for estimating death rates by policies.

Since large amounts of insurance are comparatively rare at the younger ages, the effect is more pronounced at the middle and older ages. The committee making these studies considered this point and concluded that any adjustment would be small. Mr. Shepherd pointed out, however, that "for the first time we have extensive groups of really standard lives which give us a check on our table."

Ultimate Experience Is a Question

Mr. Shepherd also said that in every study the question arises as to whether the experience over the period studied is typical of what the experience will show when the policies have run their full term. Sometimes the mortality in the years soon after issue may not be bad but will become increasingly so as time goes on. In other cases most of the excess mortality will appear in the early years. Careful analysis is necessary to

estimate what the "ultimate" experience is going to be.

Furthermore, before the experience of the past can be applied to the future it is wise to weigh the possibility of changes in conditions that may have a decided influence on the results. In the case of blood pressure, for example, it is possible that treatments may lower the blood pressure without necessarily improving the mortality. Such possibilities need to be considered before basing ratings for the future on the experience of the past. He pointed to the possibility that a real cure for high blood pressure, even though it helped mortality, would cure only a portion of the cases and those that did not respond to treatment would probably be relatively worse than the group as a whole is considered today. As for methods that would reduce blood pressure without affecting mortality, he expressed the hope that science would also invent tests that would reveal whether such methods had been used and permit detection of groomed applicants.



Pearce Shepherd

DISCUSS QUESTIONS

Discussion of six questions which were laid before the convention was concluded Tuesday.

One question was: Is it advisable to grant double indemnity without restriction to applicants who use passenger cars daily in business? The opinion was largely negative. One speaker said statistics have given no assistance in the matter, and the general opinion of those at the meeting was that only in preferred cases should double indemnity be granted. The preferred group would include those who have been driving for any length of time and who have had a free or reasonably good accident record. However, before such persons can be accepted as a preferred risk it was stressed that certain strict standards must be reached. It was not considered advisable or practicable to levy higher rates over and above those now existing and still grant double indemnity benefits, because of the fact that automobile insurance companies can provide certain protections at relatively low costs.

Applications by Mail

The second question was: What precaution should be observed in underwriting applications that appear to have been written by mail? Such insurance was considered a fair risk where it was possible to secure medical examinations, and it was unanimously agreed that no applications should be accepted unless it was possible to conduct such an examination. It was also agreed that, in the main, such applications should be regarded with suspicion, especially if the amounts of protection asked for are

beyond normal. It was recommended that where such applications are received, the applicant be asked to provide a statement from the physician regarding consultations during the preceding five years. Also it was recommended that the Central Medical Investigation Bureau be consulted. Consensus seemed to be that where doubt existed it would be better to play safe and leave mail applications alone.

Question three: Is it desirable to issue juvenile insurance without reduced death benefits in those states where law permits? One argument in favor of this was that incomes of agents are being affected in many cases by people moving to where work is more plentiful and also into army training camps. Reduction of the minimum age from 10 to five years in those states where the five year minimum does not exist would make it possible for these agents to offset such loss of revenue. Furthermore, such a reduction in the age minimum would give agents a new selling feature. Arguments against this were to the effect that it would be much better to have more insurance on the parents than on the children.

Those companies writing this insurance with the five year age minimum reported their underwriting experience has been favorable. The general tone of the argument, however, seemed to be against heavy insurance protection on children under 10.

Explaining Rejections

Question four dealt with how far the companies should go in answering requests from policyholders for information as to why the insurance was not issued as applied for. This question was divided into three parts, and the consensus was that policyholders would only be advised of the reason for such a decision if the decision involved occupation or overweight. On the whole, the meeting seemed in favor of not sending information regarding their medical findings unless it was sent directly to the physician of the applicant involved. In fact one company went on record as inviting physicians to make use of available information, although between company and policyholder the information is to be regarded as company information which the company has paid for.

Salary Savings Question

Question five was: Should salary savings insurance be accepted on more liberal basis than on individual applications? The gist of opinion was that any relaxation of present rules would result in a heavy influx of substandard risks. It was argued that the only apparent reason for any change at the present was for competitive purposes and that if all companies eased up in existing rules the ultimate result would be higher losses which would more than offset added premium income. Opinion also was that insurance protection to the value of \$2,000 seemed to be a fair maximum for non-medical. This would apply to rural areas in the main. In larger centers, medical insurance was favored.

Tropical Travel

Question six dealt with current practices involving applicants residing or traveling in Central and South America. This situation was termed a headache all round in view of the numerous factors which must be considered, especially as to modes of living, political situations, etc. Travel to southern points, too, was termed a hazard either by air or water. Opinion in discussions was that for lengthy stays, exceeding four months, the tropical rates of 200 percent of ordinary premium apply. If trips were limited to a matter of a few weeks or months, special rates could be established to suit the local situation, but 130 percent was suggested for a location such as Argentina. Those going to South America on engineering jobs would come under the sub-tropical rate of 150 percent. Regarding a native of South America

commended
are re-
ed to pro-
ysician re-
the pre-
recom-
edical in-
ited. Con-
ere doubt
play safe
alone.

able to is-
it reduced
where law
favor of
gents are
by people
are plenti-
ing camps
e from 10
where the
ist would
agents to
Further-
age mini-
w selling
this were
be much
e on the

is insur-
minimum
experience
l tone of
ed to be
ction on

ow far
tswering
or infor-
nce was
is ques-
rts, and
holders
ason for
involved
On the
favor of
ng their
sent di-
pplicant
y went
to make
lthough
der the
s com-
pany

ry sav-
ore lib-
applica-
at any
ild re-
andard
ly ap-
at the
rposes
up in
would
more
come.
e pro-
ned to
edical.
in the
al in-

urrent
siding
South
ned a
e nu-
nsid-
iving,
outh-
azard
a dis-
s, ex-
rates
mum
mat-
pecial
the
sug-
tina.
en-
the
Re-
erica

being insured by a United States or Canadian company it was agreed rates should be based on conditions in his country.

Lockey Industrial Chairman

William H. Lockey, assistant secretary of Life of Virginia, was elected chairman of the industrial committee of the Home Office Life Underwriters' Association.

Serious discussion was given at the industrial meeting to the recommendation that instead of meeting three times yearly the industrial committee meet annually. It was argued that in view of the national situation that has developed in the United States particularly executives feel they should remain at their desks as much as possible until the crisis is over. A voting ratio of 6 to 1 favored the change to an annual basis, with the meeting a little more formal and with presentations of papers. Decisions as to the future meetings will be determined within the next few months, according to the newly-appointed chairman, Mr. Lockey.

There are several important problems facing the industrial companies at the moment. Industrial companies must find a solution to how business will be handled by them in mushroom towns that are springing up. People are swarming into these places, said one speaker, they are getting work, writing to the companies for insurance protection, but have been unable to provide mailing addresses because none exist. This affords little chance, if any, for usual inspection. Another problem is that of policyholders moving around much more rapidly than usual, going from new job to new job and from state to state.

Fraizer Rules on New Neb. Air Rider Statute

LINCOLN, NEB.—The insurance director is now sending out notices covering his interpretation of the new war risk and aviation exclusion law.

Director Fraizer points out that the new statute provides that policies may be contestable after two years for service in the military, naval or air forces of any country at war, declared or undeclared, and aeronautics other than as a fare paying passenger of a commercial air line flying on a regularly scheduled route between definitely established airports. This means, he says, that a policy may be contestable after two years from death from "aeronautics" but only if the insured's status at the time of death does not meet the requirements just stated, and attempts to express those requirements in other language will not be acceptable unless plainly more favorable to the policyholder. The imposition of additional requirements will be contrary to statute.

Limitations with reference to aeronautics shall not be included in any policy where an extra premium is charged to cover that risk nor shall any such limitations extending beyond the contestable period be included in or attached to any policy where the applicant has not elected in writing to accept a policy with such limitations, and by such election has agreed to a reduced coverage. Forms for this election need not be submitted.

Liability under either provision of the new law may not be less than the reserve on the face of the policy and the reserve on paid up additions, less any indebtedness. Provision for return of premiums with or without interest will not be approved unless it is also provided in effect that should it be less than the statutory amount, the latter will be paid.

The department believes that the use of the words "directly or indirectly" as applied to the cause of death are superfluous and probably do not comply with the statute. Also that the use of "service" in such phrases as "service, travel or flight" takes the meaning outside the statute for the reason that it places in the same status those who service air-

craft on the ground but never fly and those who fly. Limitations may be included in the policy or by identifying riders providing for changes in policies.

Fidelity Wis. Assets Sold

Some of the securities deposited by Fidelity Assurance Association of Wheeling, W. Va., with the state treasurer of Wisconsin to enable it to do business there have been sold for \$1,259,244. Circuit Judge Hooper approved the sale. The company had deposited a total of approximately \$2,600,000 in securities.

Judge Hoppman specified that \$10,000 are to be set aside for the expenses of H. L. Smith, special deputy commissioner of banking, in charge of liquidating the Wisconsin business. Funds collected are to be used for payment of Wisconsin creditors and contract holders.

MISSOURI RECEIVER NAMED

JEFFERSON CITY, MO.—D. S. Godfrey, attorney, was named Missouri receiver for the Fidelity Assurance of Wheeling, W. Va. It is estimated that \$825,494 in contracts are outstanding in Missouri.

Subscribe to **Accident & Health Review**, \$2 year. 175 W. Jackson Blvd., Chicago.

Notes at Toronto Rally of Canadian Life Men

It was revealed at the association's meeting that companies which are members of the Canadian Life Insurance Officers Association have been co-operating to develop a reliable analysis of mortality among members of the armed forces—something that was not undertaken during the 1914-18 war. In the last year 30 companies contributed to an investigation of mortality rates on Canadian ordinary policies on which extra premiums have been paid. A member company served as a central office for compilation of the statistics.

Campaigns to sell insurance in war years should be advanced against a background of the economic and fiscal advantages to be achieved both by individuals and society as a whole through voluntary determination to "consume less and save more," a speaker commented.

Clarence Axman, editor of "Eastern Underwriter," maintained his unbroken record. He was observed again looking for a lost hat.

To the American guests, R. Leighton Foster, association general counsel, proved the ideal host.

RECORDS

Guarantee Mutual Life—May is the fifth consecutive month which shows a gain in written business over last year. The increase for the first five months of 1941 stands at 17 percent.

Pacific Mutual Life—Paid for 80 percent more new business in May than in the same month of 1940. For the year to date paid business is 20.5 percent ahead.

Equitable of Iowa—The Russell L. Hoghe Los Angeles agency shows a 15 percent gain of paid business for the year to date.

Northwestern Mutual—The W. K. Murphy Los Angeles agency showed a gain in May of 27 percent, with a gain of 15 percent for the year to date.

Paul Petersen Incorporates

Paul Willer Petersen, has incorporated his business as the Paul Willer Petersen Agency, Inc. Mr. Petersen is president of the corporation; A. Arnold Brand, vice-president; James G. Gurney, treasurer, and Sidney Neuman, secretary. The business will continue in its quarters in Chicago.

The presence of a certain picture on your desk may determine what you do with your savings through most of your life. Plan your course of action for the years ahead with the help of a man



who is paid, not primarily for sales of new insurance, but for the quality of the work he does for you. The soundness of your life insurance plan, the accuracy with which it fits your needs, depends almost entirely on your agent. The NWNL agent is paid, not primarily for the insurance you buy, but for the insurance you keep in force because it is right for you. His reward comes from selling you only the kind of insurance you need, and only the amount you can afford — and for keeping that insurance adjusted thereafter to your changing needs. Talk to an NWNL agent. He is paid to build you a sound plan, and to keep it sound. A sound company will see to its execution — a 56-year-old company whose history of stability and progress, through good times and bad, is outstanding even when compared to the fine record of all American life companies.

NORTHWESTERN National LIFE
INSURANCE COMPANY
O. J. Arnold, President
Minneapolis, Minnesota

Your NWNL agent is paid, not primarily for sales, but for service

also make
Catholicism
false religion
ianism as the
crust, and N
religion of the
Dr. Niebu
fore he was
years ago
Party. He
as he now
none-the-le
ed view of
emphasis o
preted . . .
Christianity
calism in to
Jesus is re
to the stat
revolt aga
are not gre
by any na
that those
political
against C
weak the
prestige.
does not r
the weak,
on gaining
tractors, ex
The Nat
prepared fo
at the U
only four
vited to
James, Jo
William E
Lord Gil
tablished b
ogy with a
Said he in
to treat th
science, th
indeed, is
that of I
to or reli
exception
lation. I w
omy or ch
basis, the
have lecture
tures have
rater, and
ing of the
for them.
At Ed
his hear
lectures
crowds in
an: "I di
when ye p
ye're mak
tures we
out. Eve
attendance
one crow
denly not
restless.
tion." h
Steam
After
that Ed
alarm, t
potted ove
Bridge rai
destiny.

**THIS IS NWNL'S
LATEST NATIONAL
MAGAZINE
ADVERTISEMENT**

EDITORIAL COMMENT

Life Insurance—the Pioneer

THE life insurance business is so frequently referred to as being ultra-conservative—as it certainly should be where consideration of safety of policyholders' funds is concerned—that when it blazes a trail more than casual attention should be paid to it. Right now there is much agitation in the property insurance field to set up an educational system corresponding to the work done by the American College of Life Underwriters to prepare applicants for the C.L.U. designation. One of the featured speakers at the recent 75th anniversary celebration of the National Board of Fire Underwriters was Dr. S. S. Huebner of the University of Penn-

sylvania. Life insurance can take credit for setting the example to its elder brother.

Some weeks ago the marketing division of the American Management Association held a symposium on more scientific selection of salesmen. Not only was life insurance represented on the program—T. H. Stokes of the Metropolitan Life's field training division being chairman of one of the sessions—but a speaker from the field of general business referred in highly complimentary fashion to the pioneering work done in the life insurance field, and singled out the Sales Research Bureau for particular mention.

Responsibility of Management

THOSE who heard the new state insurance director of Illinois, Paul F. Jones, in his Chicago address may dwell on some points he made with genuine advantage to themselves. For example, he emphasized the high importance of management in an institution. In fact he regarded it as the most valued factor in any enterprise.

Age and size have a certain significance and advantage. Yet behind the date of entering business, location or the financial statement is the character of the management, something intangible yet a most valuable asset. What is the attitude of those who govern the institution? What is their training, their experience? How do they look on the policyholders? Do they con-

sider their relationship a fiduciary one? What is their ability and capacity to reach intelligent conclusions? What is their ability to arrive at reasonable and accurate judgments?

These and others we might mention are attributes that make a well ordered insurance company. Those who constitute the management should inspire confidence. They should be regarded as fair, judicial, forthright. They should be "to the manner born."

Management, particularly during these chaotic, uncertain times is all important. Unprecedented issues have to be met and the most complicated problems. Therefore, those at the helm should be well equipped to meet all responsibilities.

The Next Phase of Development

DEPRESSED interest earnings, coupled with the prospect of little if any improvement in the near future, have served to emphasize the importance of efficient management in the home office and field. As has been so frequently pointed out, a life insurance company has only three sources of earnings or dividends: savings on mortality, on expense, and a higher interest rate than that assumed in the policy.

When interest earnings were up in the neighborhood of 5 percent the importance of the expense element was relatively smaller. With net interest earnings around 3 percent the margin from investments virtually disappears and the expense element becomes of overshadowing importance. Of course there is still the mortality saving but this cannot be changed a great deal al-

though it does offer a cushion against abnormally low interest rates. However, as Valentine Howell, vice-president and actuary of Prudential pointed out at the recent annual business conference of that company, reduction of mortality ratios beyond a satisfactory minimum can only be accomplished at the sacrifice of a good deal of desirable business. In addition to this point there is the social angle of attempting to carry the selection process to a stricter basis. This does not mean that there is not room for refinement of the selection process as further discoveries are made, which enable companies to accept risks which could not previously be distinguished from the unacceptable.

To a considerable extent the same consideration applies to investments. Carrying the selection process beyond a

certain point means that a company in order to avoid the possibility of a sour investment must be so finicky that it passes up many good securities. The result may be that it suffers from a lack of good investments but probably will come out with a lower effective interest rate than if it had broadened its selection basis somewhat.

Probably the principles governing selection and investments are far better known than those applying to general administrative functions.

Also tending to focus attention on the problem of efficient management is the gradual change that has been taking place in life insurance production during the last decade. Depression conditions were admittedly abnormal but it now appears that even in normal times life

insurance will have to figure on a rate of growth considerably slower than used to be considered normal. This is not surprising nor should it be taken as indicating a lack of fundamental soundness anywhere but it does have to be taken into consideration as an administrative problem. It looks as if the next phase of life insurance development will be in the direction of intensified efficiency of management all along the line. With investment returns cut far below old levels and both the investment and underwriting departments finding themselves up against the law of diminishing returns, administrative efficiency, even though companies are already managed in highly creditable fashion, seems to be the principal major route left open in the race for the public's patronage.

PERSONAL SIDE OF THE BUSINESS

J. P. McDonald, agency assistant at the home office of the Northwestern Mutual Life, and well known in the field through his talks at agency meetings throughout the country, was married to Miss Eleanor Bradford of the agency department staff at the Little Church Around the Corner in New York City.

A. E. Babbitt, vice-president and actuary of Lamar Life, addressed the Economics Club of Millsaps College, Jackson, Miss., on "Life Insurance."

Charles F. Adams, president of Oregon Mutual Life, is attending the 60th anniversary of his graduation at Yale. He was a member of the class of 1881.

J. H. Fisher, sales promotion and advertising manager Country Life, is the father of a baby daughter, LaRue Fisher.

W. J. Dick, Jr., agency supervisor, Connecticut Mutual Life, San Antonio, Tex., and Mrs. Dick have just returned from a honeymoon in Florida and the Bermudas.

R. W. Simpkin, assistant superintendent of agencies Connecticut Mutual Life, has been visiting the Dallas, San Antonio and Houston agencies.

A. H. Kahler, vice-president in charge of agencies of Indianapolis Life, has completed a tour of the agencies at Fort Worth, Dallas, and San Antonio, Tex.

Russell R. Brown of the Kansas insurance department was elected governor of District 17-N of Lions International at the district convention in Wichita.

Ralph E. Richman of Boston, resident vice-president of THE NATIONAL UNDERWRITER, and Mrs. Richman have announced the marriage of their daughter, Dorothy Kathryn, to K. W. Stiegemeyer, the ceremony occurring last Saturday at Auburndale, Mass. The bride is a graduate of Valparaiso University, Valparaiso, Ind., of which her father at one time was trustee. The bridegroom is connected with General Motors and is stationed in Michigan.

W. F. Colcock, Travelers, New Orleans, was elected president of the King-

sley House, social service center for youngsters. He has been a member of the board for some time.

W. J. Slack has returned to active duty as manager of the Westport district of Metropolitan Life, Kansas City. George Schlemmer, in charge during Mr. Slack's absence, has returned to his duties as field training instructor for the southwest, at St. Louis.

Craig G. Kennedy, Northwestern National Life, Wichita, has been named campaign chairman of the Wichita drive for the United Service Organization.

J. L. Batchler, controller Kansas City Life, director of the Life Office Management Association and past president of the Insurance Accounting and Statistical Association, was elected president of the Kansas City chapter of the National Office Management Association.

DEATHS

G. Edward Wilkins, 80, father of Roger C. Wilkins, assistant manager of the mortgage loan department of Travelers, and Robert E. Wilkins, assistant manager of the downtown agency of Prudential, New York City, and father-in-law of Spencer Hickman, DeForest agency of Aetna Life, Buffalo, and Charles Mock, claim department of Liberty Mutual, Boston, died while visiting the Hickmans in Buffalo. He was on his way to his home in Houlton, Me., after spending the winter in Florida.

G. D. Bennett, 66, who had represented the Metropolitan Life in Utah and California in various capacities for 35 years, died suddenly in Oakland, Cal. He served as manager in Salt Lake and Ogden and then district manager for northern Utah, with headquarters in Logan. In 1929 he was transferred to Fresno, Cal., and from there to San Francisco as field superintendent. He retired a year ago.

Carl T. Prime, secretary-treasurer National Fidelity Life, Kansas City, died after a long illness. Joining the company in 1916, he was for some years in

THE NATIONAL UNDERWRITER



Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Telephone Wabash 2704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Assistant Managing Editor. News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor, Kenneth Force.

BUSINESS DEPT.: John F. Wohlgemuth, President. H. J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer. W. A. Scanlon, G. C. Roeding, O. E. Schwartz, Associate Managers.

CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner Thorp, Jr., and C. C. Crocker, Vice-Presidents.

ATLANTA, GA., OFFICE—560 Trust Company of Georgia Bldg., Tel. Walnut 5867. W. M. Christensen, Resident Manager.

DALLAS OFFICE—809 Wilson Bldg., Tel. Central 7814. Fred B. Humphrey, Resident Manager.

MINNEAPOLIS OFFICE—500 Northwestern Bank Bldg. Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3958. Editorial Dept.—G. A. Watson and R. B. Mitchell, Associate Editors. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

BOSTON OFFICE—Room 522, 25 Huntington Ave., Telephone KENmore 5237. R. E. Richman, Vice-President.

DES MOINES OFFICE—2325 Grand Ave., Tel. 4-2498. R. J. Chapman, Resident Manager.

PHILADELPHIA OFFICE—1127-123 S. Broad Street. Telephone Pennypacker 3706. E. H. Fredrikson, Resident Manager.

CANADIAN BRANCH—Toronto, Ont., 86 Adelaide St., East, Tel. Waverley 7988.

DETROIT OFFICE—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

SAN FRANCISCO OFFICE—507-3-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

Subscription Price \$3.00 a year (Canada \$4.00). Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year (Canada \$7.50). Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



can be trained to handle much of such correspondence with competence. The letter should not cause the slightest amount of mental resistance on his part. The attending physician should not be asked for his professional opinion, but for information concerning the applicant. He should also be asked if he has any other information regarding the applicant which might affect his insurability. On various occasions this supplementary request has brought out information, the existence of which was not suspected.

Personal Check Suspicious

Another problem that arises is in the case of a man who has himself checked over with the intention of applying for insurance. Many people do not have a medical check-up unless they are suspicious something may be wrong, and these cases should be flagged for special attention.

State Officials Hear Debit System Defense

(CONTINUED FROM PAGE 8)

cisms of industrial made by the TNEC, both in general and as respects particular companies, the main emphasis was on lapses, pressure in selling, cost,

and maldistribution of insurance within the family.

Purpose of the committee was to see what there is to the criticisms with a view to departmental or legislative action by the various states. Besides Mr. Harrington other subcommittee members on hand included Pink of New York, McCormack of Tennessee and Deputy Commissioner Gough of New Jersey. Also present from the state departments were Examiner Max Weinstein of New York, A. N. Guertin, actuary New Jersey department and Actuary A. E. Cleary of Massachusetts.

Davenport Has Big Turnout

Headed by Charles Sessions, president, Jack Cosgrove, president-elect, Loyd B. Gettys, president of General Agents & Managers Association, and Merle E. Van Eps, secretary of the Iowa Association of the Life Underwriters, a caravan of 75 to 100 Davenport men are expected to leave Friday and early Saturday morning for Cedar Rapids, Ia., for the convention of the Iowa state association. Davenport, Des Moines and Dubuque will make bids for next year's state meeting.

The largest single group from Davenport will be headed by Oscar Hanson, with 35 of his Prudential men in attendance.

charge of the agency department. In recent years he had handled investment matters in addition to his duties as secretary-treasurer.

Shelbourne Donkle, 48, who operated the Donkle agency at Fort Atkinson, Wis., for fire and casualty lines and as district agent for Aetna Life, died unexpectedly. The agency was started by his father in 1909.

Roy M. Boyd, 43, Chicago insurance broker, was swept from his racing sloop, the Intrepid, not far from Waukegan, Ill., and was lost. With a seaman whom he had hired in Grand Rapids, Boyd was bringing the sloop from Charlevoix to Chicago. He was aloft when wind swept him into the lake.

CALLED TO SERVICE

Paul Howe of the home office staff of the Pacific Mutual Life has been ordered to report for army duty in Washington. He is a first lieutenant.

Three agents from the E. P. Connolly agency of Penn Mutual Life, of Des Moines, were called recently into active service with the army. Lieut. Edwin R. Brock is stationed at Fort Riley, Kan., Sgt. Herschel M. Wolk is stationed at Camp Claiborne, La. Charles M. Glass, flying cadet, is stationed at Fort Douglas, Utah.

Underwriters Ponder Mortality Hazards in Defense Program

(CONTINUED FROM PAGE 3)

conducive to safety. This may not be so bad in newer and larger plants but even there the unrelenting pressure of high speed production and the longer hours of work may result in a tendency to ease up on safety rules, equipment and inspection.

The supply of skilled workers being far from equal to the demand, it may be necessary to employ those with little if any experience or training. There is a dearth of real foreman material with a consequent tendency to lack of com-

petent supervision. Standards of physical condition of workers cannot be maintained as strictly as before. Inattention and whatever contributes to it, such as a threat of strikes, or strikes in other plants, interfere with safety.

Gives Favorable Side

On the favorable side Mr. Bagley pointed out that management today appreciates more than ever before that the greatest efficiency of production depends on the greatest degree of safety and there is greater knowledge of safety methods. Injury or sickness which takes a man off the job is recognized as a loss of manpower. The National Committee for the Conservation of Manpower in Defense Industries has been formed with the aim of promoting safe and healthful plant conditions.

Considering the probable net result of these opposing sets of factors Mr. Bagley pointed out that the unfavorable results will probably appear before the counteracting influences can take effect. He cited a report by Chief Statistician W. G. Johnson of National Safety Council to the effect that industrial fatalities rose 10 percent in 1940 over 1939 and since the number of industrial workers increased only 6 percent a material proportion of the increased deaths may fairly be attributed to national defense activity. He remarked, however, that the unfavorable factors will tend to be less potent as the defense work reaches its stride and becomes steady and that increased death and injury totals need not be accepted as an inevitable accompaniment of national preparedness.

H. R. Laurie, underwriting executive of London Life, stressed the importance of proper dovetailing work of lay underwriters and medical directors.

The medical director is in position to deal with medical problems no lay underwriter can hope to solve; but the latter can not only deal with non-medical details but dispose of the greater part of the business, which presents only minor medical problems, he said. It is important that underwriters be carefully trained so they may know which type of case they can dispose of and which they must refer to higher authority.

Practices vary as to the manner of approach to the attending physician. London Life's experience is that the personal letter produces the most satisfactory results and is well worth the slightly higher cost. Lay underwriters

Our New ARROW of GOLD POLICY Provides —

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH

LIFE AGENCY CHANGES

Ruhl Joins N-W. Mutual in Detroit

H. Ben Ruhl, life member of the Million Dollar Round Table, has become an associate of C. R. Eckert, Detroit general agent Northwestern Mutual Life. He has been with Massachusetts Mutual there.

A Detroit native by birth, Mr. Ruhl worked his way through the University



H. BEN RUHL

of Michigan, graduating in 1924. He was in sales work in other lines for six years before entering life insurance in 1930. His fourth month in the business he sold over \$30,000 and since then has paid for at least that much every month, except for two months during the 1933 bank holiday. His first year's production was \$392,000.

He qualified for the Million Dollar Round Table in 1937, his largest sale that year being \$25,000, with only one for that amount. Small policies on well over 100 lives that year made up the balance of his million. He has qualified for the Round Table each year since, and became a life member in 1939. He is known for the large number of lives he has written each year.

Mr. Ruhl became a C. L. U. in 1940. He is now chairman of the National Association of Life Underwriters committee for cooperation between life underwriters and attorneys. He is also vice-president of the Qualified Life Underwriters of Detroit.

In recent years Mr. Ruhl has done outstanding work in the field of estate analysis. In addition, he is now developing the employees trust field.

Merrell Acacia Mutual Manager at Pittsburgh

PITTSBURGH—Roland Merrell, Jr., formerly manager of the life department of Continental Casualty's branch office here, has been named Pittsburgh branch manager of the Acacia Mutual Life, which covers western Pennsylvania. He succeeds R. I. Richardson, transferred to Birmingham.

Mr. Merrell had been with the Continental four years, serving as home office supervisor for two years before coming to Pittsburgh.

Borland Is Waddell Agency Assistant General Agent

PITTSBURGH—Lloyd W. Borland, formerly with the Holgar J. Johnson agency of Penn Mutual Life, has been named assistant general agent of the Robert N. Waddell agency of Connecticut Mutual. He succeeds Vernon S. Mollenauer, now general agent for Connecticut Mutual in Philadelphia.

Mr. Borland has been in the insurance business for 18 years in Pittsburgh.

Become Metropolitan Managers

Paul T. Diefenderfer has been appointed manager at Wyomissing, Pa., for Metropolitan Life to succeed George T. Roth, who has been transferred to Hudson, N. Y.

A native of Reading, Pa., Mr. Diefenderfer attended Bradley Institute and the University of Chicago. After some years as ethnologist in Samoa, Mr. Diefenderfer returned to Reading and joined Metropolitan as an agent. He became in turn an assistant manager, general assistant manager for Pennsylvania and New York, agency sales instructor, field training instructor and supervisor.

William W. Clyde will be Metropolitan Life manager at Aliquippa, Pa., to succeed E. D. Gray, who has been transferred to Pittsburgh.

Mr. Clyde was born in Penfield, Pa., and attended Clarion Teachers College. After a time as a school principal, he became a Metropolitan agent in 1927 in DuBois, Pa., and shortly afterwards became assistant manager.

With the retirement of Harry Wood, manager of the Swope Park district, Kansas City, of Metropolitan Life for 13 years and with the company 40 years, Harry Lucas, formerly assistant manager at Kansas City, Kan., and recently supervisor of divisional field training at the home office, succeeds to that district.

Manages New Wyoming Agency

Roy V. Waln has been named manager of the newly established eastern Wyoming agency of California-Western States Life. Mr. Waln, who has been producer and general agent for 15 years in this territory, will have headquarters at Cheyenne.

Virgil C. Beevers will be unit manager for the company's Texas agency. Mr. Beevers, who has been 10 years in the business, will be located at Tyler, in the agency managed by Wayne H. England.

Starbuck Joins Rowe Agency

E. T. Starbuck has joined the J. H. Rowe agency of Bankers Life in San

Newark Manager



FRED R. FAST

Fred R. Fast has been appointed Newark manager by Union Mutual Life of Portland, Me., to succeed Joseph Schwartz, resigned.

Francisco in charge of the brokerage department. He has just resigned as manager of the estate planning division of the trust department of the Wells Fargo Bank & Union Trust Company. He formerly was in life insurance work in Los Angeles and San Francisco.

Bankers of Iowa Names Two Texas Managers

Bankers Life of Iowa has established a new agency at San Angelo, Tex., the sixth in the state. Jack Cantrell has been appointed agency manager at Dallas with W. B. Scroggie, former agency manager at Dallas, transferred to the new unit at San Angelo as manager.

Mr. Cantrell was installed at Dallas this week at an agency meeting with W. F. Winterble, director of agencies, and Severin Schulte, assistant superintendent of agencies, representing the home office.

Mr. Scroggie, who has held the Dallas post for several years, has taken up his new duties in west Texas territory.

Mr. Cantrell has been with Bankers Life since 1926. As a member of the El Paso agency he qualified for the President's Premier club in seven out of 14 years. In 1931 he received the appointment of regional supervisor and served in that capacity until the plan was abandoned in 1932, then returned to El Paso as an agent. Last December he was appointed agency supervisor when Floyd Smith of that post was advanced to agency manager in El Paso.

Coast Loan Company Expands

The J. M. C. Marble Company has been appointed real estate loan correspondent of Provident Mutual Life for California. It has represented that company in Los Angeles since 1925. Northern California offices for investments and loans have been established in the Russ building, San Francisco.

Joseph Schwartz Goes to Coast

Joseph Schwartz, who has been Newark manager of the Union Mutual Life, has been named San Diego, Cal., manager for the Columbian National Life.

E. L. Walker, assistant coach at Princeton University and former athletic director of the University of Mississippi, has become special agent of Lamar Life in Louisiana and Mississippi.

Samuel Kaufman, Milwaukee general agent of Union Labor Life, has appointed Henry Mendelsohn district agent of the Milwaukee area.

CHICAGO

FINAL SPEAKERS FORUM MEETING

The Insurance Exchange Speakers Forum, composed of Chicago insurance people held its annual banquet in the penthouse of the Morrison Hotel. Jeff Poole, Hartford Fire, president of the organization, presided and members were called upon to speak extemporaneously.

The founder and leader of the forum is R. E. Baker, office manager Hartford Accident, Chicago. He serves as instructor to the two sections of the group which meet each week. As is the custom each year, George Smith of Ryan-Nichols & Co., program chairman, collected funds for the Off-the-Street Club, a charitable organization for boys in the west side slum area.

SCHLEGEL GOES WITH LAMB

E. B. Schlegel, who has handled brokerage business for the Meyer agency of New England Mutual in Chicago for about two years, has resigned and has been appointed manager of the brokerage department by E. E. Lamb, Chicago general agent of Columbian National Life. Mr. Schlegel is a native Chicagoan who has been in the life insurance business since 1921 when he became an agent of the Equitable So-

ciety in Chicago. He was connected with the Kellogg agency there for two years and then became a salesman of a prominent bond house. He returned to the Equitable in 1928, remaining for 10 years, then he went with General Agent Meyer.

The Lamb agency stood second countrywide in the Columbian National for May in amount of paid business and was first in May in production of accident premiums.

SPRING PARTY FOR KLEIN AGENCY

The annual spring party of the A. R. Klein agency, Home Life of New York, Chicago, will be held June 14 at Plentywood Farms, Bensenville, Ill. This is an all day affair which will be attended by agents, members of the staff, and their wives. After a day of golf and picnicking, the party will adjourn to the nearby home of A. R. Klein for dinner and entertainment. J. F. Walsh, superintendent of agencies, will attend from the home office.

THURMAN AGENCY OUTING JUNE 16

The annual outing of the E. B. Thurman agency, New England Mutual, Chicago, will be held June 16 at Tam O'Shanter Country Club. The day will be spent at golf. There will be a luncheon and a dinner followed by entertainment and bridge. Stephen Paddock is in charge of the event.

TRAVELERS DEPARTMENT PICNIC

The annual picnic of the life agency department of the Travelers, Chicago, at Bensenville, Ill., was attended by more than 150. Many played golf at the White Pines Country Club and several games of soft ball and horse shoes were in progress during the day. John Wincher and Harry Gooch, assistant cashier, were in charge.

E. F. Porter of the Wiese agency in Chicago for the Northwestern National Life won top company honors as leading producer for the six-day period with \$50,000 new business. The Wiese agency ranked third in May.

E. A. Brown, agent of Travelers, Chicago, entertained 25 agents and agency men on his farm near Lisle, Ill. The guests played golf at a nearby course and had a picnic lunch and supper.

COAST

Equitable to Hold Coast Conference in Santa Barbara

A joint educational conference for all California agencies of Equitable Society will be held at the Biltmore Hotel, Santa Barbara, Cal., Sept. 6-9, followed by a two-day session of the managers association of the western division at the same place.

At the educational conference the Harold Casy agency in San Francisco, and the Alex Dewar, Kellogg Van Winkle and Cecil Frankel general agencies of Los Angeles will participate. It is expected 150 will attend. Several home office officials will be on hand.

At the managers meeting all agency managers from Colorado, Utah, Wyoming, Montana, Idaho, Nevada, Arizona, New Mexico, Washington, Oregon and California will be present.

Quarter Million Group Elects

LOS ANGELES—The Southern California Quarter Million Dollar Round Table has elected these officers: President, George P. Quigley, Fidelity Mutual Life; vice-president, Hal Van Cleve, Massachusetts Mutual Life; secretary-treasurer, Ed Johns, John Hancock Mutual Life.

Miss Doris Spencer, secretary in the office of the Washington Association of Insurance Agents and King County Insurance Association, was married to J. V. Stixrud, who is with the Prudential in Seattle.

June 6, 1941

NEWS OF THE COMPANIES

Personal Security Plan Is Mass. Mutual Sales Aid

A "personal security" sales plan for agents, built around salary deduction insurance, was announced by Massachusetts Mutual to its agents at the Swampscott convention this week. It was thoroughly field-tested before release for general use, and has proved very successful.

Any types of policies may be used, although the retirement income contract will be emphasized. The purpose is to provide facilities for pension and bonus trust plans for employees in industry, and to induce the agents to think along the line of extending such service. Employees will authorize salary deductions for payment of premiums. The plan is strictly modern, granting non-medical privileges to eligible employees, and including special selling helps for agents. Lower than normal monthly premium rates apply.

For the assistance of agents in explaining the service to employers, a visual presentation was prepared. It portrays graphically the rise and fall of man's efficiency in business, illustrating the gradual climb to the income peak, financial problems of employer and employee when old age reduces the employee's value. This is a loose-leaf book so pages can be removed to use in interviewing employees.

A direct mail letter for sending to employers in advance of the first call is available; also an attractive folder, "National Defense Is Not Enough," stressing the need for retirement income and family protection, and briefly describing the convenient premium payment plan available through "personal security."

A series of three-color posters is included in the promotional material, for display in offices and plants where the employer has authorized the "personal security" plan. The visual presentation book and other promotional material were designed by Seneca Gamble, agency assistant. The "personal security" department at the home office is directed by L. M. Huppeler, who introduced the plan at the convention.

Continental American Holds "Gold Rush" Campaign

Continental American Life is conducting a sales contest known as the "Gold Rush" in which paid business volume does not count, but only cases. In essence it is a prospecting contest. The idea behind it is that prospecting is 75 percent responsible for sales success but agents overlook the importance of how to prospect effectively and relegate this function to the foot of their work schedule.

Continental American has furnished its agents carefully worked out prospecting material, including a "qualified prospect" memo form and two pamphlets on prospecting entitled "Referred Prospecting — Why?" and "Using Planned Presentation for Prospecting."

Magill and Kingman Named Mutual Life Trustees

Roswell F. Magill, former under-secretary of the treasury, and Henry S. Kingman, Minneapolis banker, have been elected trustees of Mutual Life of New York.

Mr. Magill has been a professor of law at Columbia University since 1924. While occupying that position, he has served as chief attorney for the Treasury Department at Washington, as assistant to the secretary of the treasury and as under-secretary of the treasury. He also served as secretary of the Treasury of Cuba and as adviser to the Tax Commission of Porto Rico. He is the author of a number of books on

New Agency Executive of National Life



E. W. GALE

E. W. Gale, who has been located at the head office of Massachusetts Mutual for the past two years in the agency department, has now joined National Life of Vermont with the title of assistant director of agencies. He will retain his residence in Springfield, Mass., for a while and will work with agencies in New England and upper New York state.

taxation and has been a contributor to periodicals. He attended Dartmouth College and the University of Chicago.

Mr. Kingman is president of the Farmers & Mechanics Savings Bank of Minneapolis, and has been an officer since 1926. He is a graduate of Amherst and the Harvard School of Business Administration.

Chandler Osborn Advanced

Chandler Osborn, for seven years with the bond department at the home office of the Northwestern Mutual Life, has been appointed assistant superintendent of bonds, under Superintendent F. E. Wilman. He is a graduate of the University of Wisconsin and the Harvard Business School.

Subscribe to **Accident & Health Review**. \$2 year. 175 W. Jackson Blvd., Chicago.

AGENCY NEWS

Detroit Agency Moves Into Its Own Building

DETROIT—When a local agency writing mostly life, health and accident insurance gets big enough to build and occupy its own office building, its proprietors think it calls for a celebration of some kind.

Business Leaders Attend

So when George Ostergren and Lloyd Douglass, owners of Consolidated Service, Inc., completed their new office building in the heart of Detroit's industrial area they put on an "open house" party at which insurance company executives and industrial leaders of Detroit were guests.

Among the prominent insurance men who attended were T. A. Phillips, president, and Harold J. Cummings, vice-president Minnesota Mutual Life; Robert Waddell, manager group department Continental Assurance; Leslie

Erickson, assistant to the vice-president and Kenneth Lowe, special agent American Casualty; Don Kay, manager Worgess agency, Lapeer, Mich.

Luncheon was served to 250 guests. Consolidated Service, Inc., employs seven producers and four office workers. It is general agent for Minnesota Mutual Life and represents Continental Assurance and American Casualty.

Lackey No. 1 Agency in April

DETROIT—The G. E. Lackey agency of Massachusetts Mutual Life is celebrating its achievement in leading all agencies of the company in April. The Detroit agency produced more than \$1,000,000 of new life insurance and annuities during the month, with R. W. Jackson and E. L. Warner, placing first and second respectively among the individual producers of the company.

Mersfelder Agency in Parley

The annual outing and training camp of the L. C. Mersfelder agency of Kansas City Life in Oklahoma is being held at the Sequoyah Club near Tahlequah in the Ozark mountains this week. Over 40 are attending. Classes are in charge of W. T. Whitehead, home office director sales promotion. Speakers include Frank Boyce, assistant secretary;

Charles Arnold, assistant secretary, and Dix Teacher, for 16 years a consistent million dollar producer.

Veteran Buffalo Agent Honored

Glenn F. Gaskill, agent of the Clay Hamlin Agency, Mutual Benefit, Buffalo, N. Y., was honored at a breakfast given by his fellow workers on his 70th birthday. Veteran of 25 years in the business, he is the agency's production leader. He is a graduate of the University of Buffalo and prominent in civic affairs.

NEWS BRIEFS

The Leaders' Club of the Alexander F. Gillis agency at Newark, N. J., for the Provident Mutual Life, will hold an outing on June 9. C. L. Baer won top honors in a production drive which has just been concluded.

The Newark office of the Home Life of New York, Lester Horton, general agent, held its annual outing at the Metuchen Country Club.

At the annual meeting of the Field Club of the Newark agency of the Mutual Life of New York, J. T. Welsh, was elected president, S. N. Walker, vice-president, Bradford Campbell, secretary, and W. H. Webb, treasurer.



**FRIENDLY
PROGRESSIVE
STRONG**

Galveston,
Texas

LIFE SALES MEETINGS

Midland Mutual Has Detroit Regional

DETROIT—A regional meeting for Michigan and northwestern Ohio agents of the Midland Mutual was held here at the Detroit Yacht Club. A. G. Gabriel, Detroit general agent, was host.

Dr. A. R. Stone, medical director, explained the company's liberal attitude toward underwriting applicants in the draft ages. Class 1 (except class 1C) in the draft age may apply for \$5,000 of insurance which will be issued without a war clause which is operative outside the confines of the United States and Canada. The limit for a Class 1 applicant is \$5,000 excluding term, family maintenance, family provider and paid-up at age 85 plans. If these applicants already have \$2,500 with the company only \$2,500 additional insurance will be issued without a war clause. Applicants already inducted into the service will receive individual consideration and no insurance will be issued on these risks without a war clause. Applicants who have received or probably will receive a deferred classification will be considered individually.

Tells How to Enlarge Clientele

J. H. Moorcroft, Detroit, explained "The Importance of Enlarging Clientele." He is a member of the App-A-Week Club having produced an app-a-week for 484 consecutive weeks. He also is president of the Leader Club.

L. H. Guenther, Detroit, talked on "Insuring F. H. A. Mortgage Loans." Hanford Bergman, Toledo general agent, spoke on "The Proper Mental Attitude in Selling." It is not difficult to have the correct attitude if successful. Easing up on working habits curtails success and affects mental attitude.

J. A. VanderWerf, Grand Rapids general agent, told of "Today's Best Sources of Prospects." A \$300 increase in income to a man earning \$2,400 is more in proportion than the same increase to a man earning twice as much, he pointed out. With the social security approach these \$1,800 to \$3,600 a year men represent a huge market for additional business. P. R. Marshall, Lima, O., general agent, spoke on "Applications or Alibis."

Tells of Interesting Claims

"Interesting Death Claims" was discussed by Ralph C. Witherspoon, secretary. Large claims are interesting because of the amount of the checks but the more dramatic claims are small ones for \$1,000. The fight people have to pay premiums and how deaths occur on the last day of grace provide a most compelling life insurance story.

President George W. Steinman declared: "We in the life insurance business can not be pessimistic because we are still saviors of homes and families. In such we are doing a great work. We should today especially be optimistic. Our national government is asking the people to be thrifty, to buy defense bonds. The government recognizes thrift and isn't that what we are teaching? Thrift must carry through after war if we are to avoid destitution, panic and insecurity."

J. A. Hawkins, vice-president and manager of agencies, discussed prospects "who continually put you off." He termed these 13th month prospects.

Wives of men in attendance were entertained at the Yacht Club by Mrs. A. G. Gabriel.

Michigan Agency Celebrates Gain

The annual meeting of the Mutual Life of N. Y. agency at Grand Rapids, Michigan, was in the nature of a celebration of the agency's climb in com-

pany standings from 56th place in 1938 to seventh place in 1940. Charles E. Brown, manager, was chairman of the all-day affair and toastmaster at the banquet. Principal speaker was Paul Speicher, of the Insurance Research and Review Service, Indianapolis. Others taking part were Floyd E. Holland, Alfred Pugno, A. C. Osborn and J. C. Nichols.

Occidental Life Rally at K. C.

KANSAS CITY—The E. H. Cameron agency of Occidental Life of California here was one of four agencies to place in an agency contest of the company. Prize is an educational meeting for western Missouri and Kansas agents which will be held here June 7.

Lee Dougherty, vice-president, and Lester Roscoe, in charge of education, will attend from the home office. The Charles Lamme general agency in Kansas City, Kan., will participate in the meeting.

Home State Life Agents Meet

Nearly 250 agents attended the annual convention of the Home State Life of Oklahoma City. With A. G. Palmie,

manager of the industrial department, in the chair, Joe D. Morse, president, reviewed the history and achievements of the company since its organization 11 years ago. He announced the company now has \$33,000,000 insurance in force or more than 86,000 policyholders.

N. Y. Life Parley at Fargo

Agents of New York Life from North Dakota and northwestern Minnesota were in Fargo for an all-day session. Principal speaker was L. Seaton Lindsay, vice-president. Others present were R. E. Peters of Minneapolis, inspector of agencies, and Lowell M. Dorn, from the actuarial department. J. C. Hays, agency director in Fargo, was in charge.

Lamar Life Convention July 28-29

The Lamar Life will hold its agency convention in the Hollywood Beach Hotel, Hollywood, Fla., July 28-29. H. M. Faser, superintendent of agencies, is in charge of the convention program.

Union Life Celebrates

LITTLE ROCK—The entire agency staff of the Union Life met here to celebrate establishment of new sales records in 1940 and the first five months of 1941. J. W. Walker, president, was in charge of three business meetings and a dinner.

NEWS OF LIFE ASSOCIATIONS

Costello New Dallas President

DALLAS—Declaring that there is no substitute for planning and well directed work in life insurance selling, Grant Taggart, secretary of the National Association of Life Underwriters,



JOHN P. COSTELLO

called upon Dallas life underwriters to think, and from their thinking to get ideas, and from those ideas to get action, in an address at the annual meeting of the Dallas association.

John P. Costello, Southwestern Life, was elected president of the Dallas Association for the ensuing year as successor to John A. Monroe, Jr., Great National Life. Other new officers are: Vice-president, Harry M. Roberts, Reliance Life; secretary, Henry S. Miller, Jr., Bankers Life; treasurer, Charles E. Seay, Southland Life; national committeeman, Ricks Strong, John Hancock Mutual Life; state committeeman, J. Max Spangler, Kansas City Life. Directors



JOHN A. MONROE

elected for two-year terms are: E. C. Stradley, New England Mutual Life; Campbell Green, Southwestern Life; Jerry Wertheimer, Indianapolis Life; and Raymond Campbell, Jr., Connecticut Mutual Life.

Harvey Is Elected Michigan President

BATTLE CREEK, MICH.—H. Loree Harvey, Equitable Life of Iowa, Kalamazoo, was elected president of the Michigan Association of Life Underwriters at its annual meeting here attended by over 200. H. C. Brogan, Ohio National, Lansing; F. D. Burdick, Bay City; Donald Machum, Manufacturers Life, Detroit, and J. L. Livingston, Franklin Life, Grand Rapids, were named vice-presidents. H. B. Thompson continues as secretary-treasurer.

E. P. Balkema, Northwestern National, Detroit, in his presidential report told of the vital part the state association is playing. A plan of cooperation with local officers has been worked out so successfully that the Iowa association is adopting it and the National association is recommending it to other organizations.

Life insurance objectives were outlined by C. A. Macauley, John Hancock Mutual Life, Detroit, who pinch hit for Mr. Thompson who was at the state legislature on important association business. Louis Behr, Equitable Society, Chicago, million dollar producer, spoke at the luncheon. H. T. Wright, president National association, was detained at the last moment from being present. The afternoon talks were given by Paul Speicher, R. & R. Service; and F. L. Madden, Massachusetts Mutual, St. Paul. Following the afternoon session, a tour was made of Fort Custer. In the evening those producing \$250,000 or more held a leaders' dinner at which J. L. Shuster, Connecticut Mutual, Grand Rapids, presided. A round table discussion was led by J. L. Hindelang, Equitable of Iowa, Detroit. F. C. White, Penn Mutual, Battle Creek, was elected chairman succeeding Mr. Shuster.

Wisconsin State Meet Under Way

About 400 are gathered at Eau Claire this week for the annual meeting and sales congress of the Wisconsin State Association of Life Underwriters. The Chippewa Valley Life Underwriters As-

Heads Host Unit for N.A.L.U. Convention

CINCINNATI—Warren C. Wilson, associate manager of Guardian Life was



Warren C. Wilson

elevated to president of the Cincinnati Life Underwriters Association at its election meeting. Mr. Wilson heads the organization at the time that the National Association of Life Underwriters is holding its annual convention here the week of Sept. 15. From the time that Mr. Wilson started

with Home Life of New York as cashier in 1911 at Cincinnati, he has been a substantial personal producer. He was educated in Covington, Ky., public schools and the University of Cincinnati, entering the business shortly after leaving school.

During the world war, he was in training at the officers field artillery school at Camp Taylor, Ky. After the armistice, he returned to Home Life at Cincinnati as a personal producer. In 1924, he was appointed manager at Atlanta. In 1929 he transferred to Guardian Life and the following year was appointed associate manager at Cincinnati.

Mr. Wilson was elected a director of the Cincinnati association in 1936-37; secretary in 1938-39, and vice-president in 1940. He was awarded the C.L.U. designation in 1934. He takes an active part in Kentucky Masonic activities and the Ft. Thomas Methodist church.

Sweeney Elected in West Virginia

HUNTINGTON, W. VA.—T. B. Sweeney, Wheeling manager Equitable Society, was elected president of the West Virginia Association of Life Underwriters at the annual meeting here. Wheeling was selected for the 1942 meeting. Mr. Sweeney, who succeeds P. M. Haynes, Bankers Life of Iowa, Huntington, is a state senator, a past president of the Wheeling association and was Republican nominee for U. S. Senator in 1940. Other officers elected were C. L. McPherson, National Life of Vermont, Charleston, first vice-president, and J. C. Hupp, Fidelity Mutual Life, Fairmont, second vice-president. The secretary-treasurer will be appointed by the president.

C. C. Day, Oklahoma City general agent, Pacific Mutual Life, pointed out that the maintenance of income is essential to the solution of basic problems of men. A playlet, "The Trial of John Q. Agent," was presented by the Huntington Community Players on behalf of the First Huntington National Bank's trust department.

Schaeffer Talks to Managers

General agents and managers held a special session at which E. H. Schaeffer, Fidelity Mutual Life, Harrisburg, Pa., national association trustee, spoke. At a luncheon, J. P. Williams, director of the educational advisory department American College of Life Underwriters, spoke on "Increasing Life Values."

At the closing session Congressman Wesley E. Disney of Oklahoma was the principal speaker. He was introduced by R. L. Hogg, assistant general counsel Life Presidents Association.

Other talks were made by Elmer Weimer, John Hancock Mutual, Columbus; R. J. Seay, former director of field

education Metropolitan Life and now Memphis manager, and W. W. Jaeger, vice-president Bankers Life of Iowa.

Becker Slated for Head of St. Louis Association

Lester S. Becker, general agent Lincoln National Life, St. Louis, was nominated for president of the Life Underwriters Association of St. Louis to succeed Wellborn Estes, Aetna Life. Since there is no opposition ticket his election June 13 at the annual meeting to be held on the Steamer Admiral is certain.

Other nominees are: First vice-president, W. J. Cusick, New York Life; second vice-president, G. H. Means, Metropolitan; directors—for three-year term, S. L. Morton, Connecticut Mutual; D. O. Cramer, Prudential; J. T. Murphy, Metropolitan; J. C. Greene, General American Life, and F. M. See, New England Mutual; one-year term, Mrs. C. V. Gallaway, Connecticut Mutual.

The nominating committee chairman was Frank Vesser. The boat trip will climax the annual meeting of the Missouri association. The general committee on arrangements is headed by Wellborn Estes, Aetna Life, president.

Northern New Jersey Election

ASBURY PARK, N. J.—At the annual meeting of the Life Underwriters Association of Northern New Jersey here, F. A. Williams, Mutual Life of New York, Newark, was elected president. Other officers elected: first vice-president, John A. Ramsay, Connecticut Mutual Life; second vice-president, J. W. Wood, Prudential; treasurer, J. S. Dey, Manufacturers Life of Canada; Lester Horton, secretary, Home Life. David Marks, Jr., Mutual Life of New York, and Henry Feustel, Provident Mutual Life, were elected executive committeemen.

McCormack at Jackson

State Commissioner McCormack of Tennessee is scheduled to address a joint meeting of life and fire insurance agents, represented by the Jackson Association of Life Underwriters and the Jackson Insurance Exchange on June 27.

H. L. DeMent was elected to succeed L. I. Davidson as president of the life underwriters. Carl Smith is vice-president; Roy T. Owens, secretary and national committeeman.

Wichita to Have Paid Secretary

A full time paid executive-secretary will take over affairs of the Wichita Life Underwriters Association July 1. President W. H. Nicholls, Jr., Penn Mutual, has named Houston Barkley, Equitable Society, chairman of the nominating committee for election June 7.

Miss Elsie Shelden, office secretary of the Boston Life Underwriters Association for seven years, has resigned and will be succeeded by Miss Charlotte Chamberlain of Belmont.

San Francisco—N. H. Bell, an outstanding agent of Provident Mutual Life, world traveler and lecturer, addressed women members on "Psychology in Selling." Mrs. Genevieve F. MacIver, chairman women's committee, presided.

Buffalo—A. Rogers Maynard, manager of the Lake Erie office, Metropolitan Life, was elected president. He succeeds Walter A. Schworm. During the past year Mr. Maynard has been treasurer. First vice-president is Jack Castle, State Mutual; second vice-president, Jacques Stryker, Massachusetts Mutual; secretary, Edward S. Diem, Union Central; treasurer, Lewis C. Slesnick, Prudential. Past presidents were guests of honor and four new directors were welcomed.

Minneapolis—The annual meeting and election will be held June 20. A golf match will follow.

Madison, Wis.—C. R. Welton, Prudential ordinary department, has been elected president, succeeding J. V. Hovey, Connecticut Mutual. Henry Lelvestad, New York Life, is vice-president; R. M. Larson, Northwestern Mutual, sec-

retary, and Paul C. Grimstad, Provident Mutual, treasurer. New directors are John Burkhardt, Lincoln National; S. G. Johnson, Massachusetts Mutual; A. M. Mickelson, New York Life, and L. W. Parr, Prudential.

Richard Marshall, First National Bank of Madison, discussed life insurance from the banker's viewpoint. He declared banks recommend life insurance to help men create immediate estates for their families, and frequently insist that bank clients purchase life insurance to strengthen their credit before a requested loan is granted.

Winston-Salem, N. C.—George Elliott, district manager Jefferson Standard Life, was named president to succeed A. L. Googe. Royall Brown and C. B. Barbour were elected vice-presidents and C. W. Pope was named secretary-treasurer. W. H. Andrews, Jefferson Standard, Greensboro, N. C., was endorsed for National association secretary.

Charlotte, N. C.—Adon Smith was elected president succeeding C. M. Hassell, Union Central Life. P. F. Howerston, Connecticut Mutual, was elected vice-president; D. W. Reed, Pilot Life, was renamed secretary-treasurer; B. S. Blanton, Phoenix Mutual, was elected national committeeman, and Mr. Hassell was named state committeeman.

T. W. Bird, Charles Gibbs, Robinson Brown, Jr., W. H. Gaither, Mutual Benefit Life, and A. L. Ducker, Acacia Mutual, were named executive committeemen, and J. R. Knott, Metropolitan Life, was elected a delegate to the state convention in Winston-Salem, June 11.

San Antonio—H. B. Wernette, manager at Corpus Christi, Tex., for National Life & Accident, and the newly elected president of the Texas Association of Life Underwriters, is addressing a meeting here Friday. That has been designated as industrial day in San Antonio.

Detroit—F. H. Haviland, vice-president of Connecticut General Life, spoke on "Completing the Sale" at the final luncheon. He was introduced by F. M. Minninger, new general agent for Connecticut General in Detroit. Mr. Haviland presented a plaque to W. A. Post, supervisor of the Minninger agency, in appreciation for his work as president of the Detroit association.

Indianapolis—John A. Witherspoon of Nashville, vice-president National association, spoke Thursday on "Motivation That Closes Apps."

NEW YORK

N. Y. LICENSE EXAMS

New York State examinations for life agents' licenses will be given June 19, July 16, Aug. 20, Sept. 17, Oct. 15, and Dec. 3.

ADVISORY COMMITTEE MEETS

The Civilian Advisory Committee of the third naval district had a business luncheon in New York City to discuss the problems of recruiting men for the naval reserve. Those attending were Richard Perkins, Harris Upham Company, chairman; Robert Wilkins, assistant manager, downtown agency of Prudential, vice-chairman; Harry Gardiner, general agent John Hancock; Eugene Homans, Prosser & Homans agency of Equitable Society; Julian S. Myrick, manager of Mutual Life; Sayre MacLeod, Jr., supervisor of ordinary agencies, Prudential, and Miss Myrtle Sinclair, downtown agency of Prudential, who is secretary of the committee.

MIDTOWN ASSN. OUTING

The annual golf outing of the Midtown Managers Association will be held June 11 at Westchester Country Club, Rye, N. Y. There will also be tennis. Matthew Lauer of Continental American is chairman.

KNIGHT RECORD IMPROVES

The Knight agency of Union Central Life in New York paid for \$2,105,512 in May as against \$1,876,232 in May, 1940. For the five months the figure was \$10,104,740 against \$7,575,853.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

Deaf Agent Leads on Paid Apps and Volume in N. Y.

Franz L. Ascher, Vanderbilt branch of New York Life, New York City, not only led his branch on both paid applications and volume during the month of April but also led the greater New York department on the number of paid applications for the same month. The remarkable thing about his leadership is the fact that he is deaf and has been since birth. He specializes in problems of the deaf and deafened.

Mr. Ascher started in the insurance business 13 years ago working in the field for New England Mutual Life. In 1934 he went into the home office of Massachusetts Mutual in the actuarial department and two years later joined the Vanderbilt branch in New York City. He has been a consecutive efficiency qualifier since April 1940, and attained first place in his office by writing 37 applications for \$108,500 during February and March as a testimonial of efficiency to George L. Harrison, company president. He is a freshman Nylic and is well on his way to club membership.

Mr. Ascher was born in Germany but came to this country as a child and lived in Springfield, Mass. When he

was seven his family sent him to a school for the deaf in Northampton, Mass. At that time he could not read, write or talk. During the next 10 years he mastered all three and also the art of lipreading. Today, although he can't hear a sound, he can carry on conversations very well with anyone and can also enjoy the theatre and motion pictures. He attended Loomis school at Windsor, Conn., and Northeastern University. He is president of the Manhattan division of the National Fraternal Society of the Deaf, and it is through deaf people that he finds his leads, often times selling the parents and relatives.

Divisional Group Manager

The Equitable Society's group department announces the appointment of A. E. Elander as divisional group manager of the newly created southwestern division. He was formerly divisional director of group annuities in the western division. He will direct from Los Angeles sales activities in all group coverages in southern California, Arizona, New Mexico and 12 counties in southwestern Texas. He is a graduate of the University of Michigan. He entered the group annuity division of the home office in 1929.

• Life • Accident • Health • Annuities • Hospitalization • Group • All-Ways

Defending American Families

FOR THIRTY-TWO YEARS

JUNE 1909-1941

Aid in the National Defense is not a new role for the Business Men's Assurance Company. Ever since the company was organized in June, 1909, it has been defending American Families against loss of Income resulting from accident, sickness or death. In times of NATIONAL EMERGENCY a secure family is the backbone of National morale. B. M. A. has made an important contribution to family security in the payment of approximately 49 Million Dollars to policyowners and beneficiaries since organization.



Business Men's Assurance Company

KANSAS CITY, MISSOURI

W. T. GRANT
President

J. C. HIGDON
Vice-Pres. in Charge of Sales

American Institute Holds Annual Parley

(CONTINUED FROM PAGE 2)

come which may be derived from the proceeds of the "basic plan." These benefits, however, can be combined in a wide variety of ways. This variety and the decreasing nature of the family income benefits produce actuarial complications which Mr. Pedoe analyzed exhaustively. He also presented formulae for premium and reserve calculations which he developed from several different approaches.

Mr. Pedoe also summarized the current practices of the life insurance companies on this continent. The majority of the larger companies now appear to be offering this benefit in one form or another. A few companies are willing to insure some classes of substandard lives on this plan, but the majority restrict it to standard lives. Although data is still too meager for the purpose of drawing a reliable conclusion, signs seem to indicate that the mortality on this class of business does not differ appreciably from the general mortality on other plans.

SUBSTANDARD LIVES

The incidence of the extra mortality among substandard lives, both by ages at issue and by duration from date of issue, are important factors to be considered in determining the best bases upon which to insure such lives. C. F. B. Richardson of Union Central Life said in a paper on "Substandard Business."

After analyzing the incidence of the extra mortality shown by both recent and older investigations, Mr. Richardson recommended that at least three different methods of rating should be employed to cover satisfactorily the various types of extra mortality to be expected.

(1) For impairments where the risk is of a temporary nature, either liens or temporary extras are required;

(2) For occupations where accident is the chief cause of extra risk, extras either constant for all ages or constant up to about age 40 and graded thereafter are required;

(3) For medical impairments (other than those of a temporary nature) and all occupations except where the accidental risk predominates, extra premiums based on percentage extra mortality appear to be about as satisfactory a method as any other that can be justified in the present state of our knowledge.

Mr. Richardson felt that the "rated-up age" method, which has been rather commonly used, was not well suited to the usual types of substandard mortality. One of the worst defects of this method is that it tends to favor the withdrawing policyholders by the payment of excessive cash values, he said.

He also discussed calculation of appropriate premiums, reserves and non-forfeiture values. His paper constituted a thorough survey of this field from the standpoint of most recent developments.

Paper by M. E. Davis

In an actuarial note, Malvin E. Davis, associate actuary of Metropolitan Life, described a new extension of the American Men Ultimate mortality table down to age zero. New commutation columns were also provided based on this extended table and $2\frac{1}{2}$ percent interest.

The American Men Ultimate mortality table will doubtless continue to be used on a fairly modern basis for valuing ordinary policies for some time to come. It so happens, however, that this table below age 20 is not entirely reliable because of the paucity of data on which it was based. Moreover it developed that the rates of mortality below age 20, now prescribed by the New York law for the valuation of industrial insurance, are lower than the American Men Ultimate rates from age 15 to age

19. Mr. Davis sought to remove this anomaly by recomputing all rates below age 20 on the basis of recent juvenile mortality experience. The new extension, therefore, provides a suitable basis for the valuation of ordinary juvenile policies consistent with the basis currently used for valuing corresponding industrial policies.

R. L. Bergstresser of Metropolitan Life, presented a convenient summary of various formulae for computing premiums and reserves for the so-called continuous income benefits. Various approximations were suggested in the interest of simplicity and their effects were indicated by the author.

Pennsylvania Days Held at Bethlehem

(CONTINUED FROM PAGE 4)

C. J. Martin, manager National Consumer Credit Reporting Corporation, New York, said that with the widespread use of consumer credit bureaus insurance companies themselves need do little investigation on individuals, for the files of credit bureaus keep complete records of a man's business background and habits.

Whether a person will keep up premium payments can be nearly always judged by his past credit record.

Marvin Bower, McKinsey & Co., management consultants, New York, spoke in the absence of H. B. Bergen, who was unable to attend. Mr. Bower told what is wrong with the government setup in the national defense program.

J. J. Shonk, Bethlehem, general chairman, opened the convention and presided at the luncheon. S. F. Bossler, secretary Bethlehem Retail Credit Bureau, was luncheon chairman, and T. B. Donaldson of Philadelphia, former commissioner, was called upon to say a few words.

The banquet toastmaster was W. R. Roberts, auditor general of Pennsylvania.

Ned Marten, Northwestern Mutual Life, Allentown, was chairman of the smoker stag frolic Tuesday evening. A Pennsylvania Dutch show was featured, followed by dancing and refreshments.

Edward C. Stone, United States general manager and attorney, Employers Liability, spoke at the banquet on "Comprehensive Automobile Liability Insurance." He was followed by Dr. M. M. Corizas, professor of economic geography, University of Pennsylvania, whose subject was "Chaotic Europe." Warren R. Roberts, Bethlehem, was toastmaster, and R. L. Hunsicker, Woodring-Roberts Corp., Bethlehem, was chairman.

CUNEEN'S ADDRESS

The insurance department of the U. S. Chamber of Commerce furnishes a medium through which the insurance business and other business men can cooperate in solving their insurance problems, T. F. Cuneen, executive assistant for insurance, said at the life insurance forum Wednesday. Through affiliated chambers and trade associations, the national chamber opposes attacks that may be detrimental to policyholders and the insurance business itself.

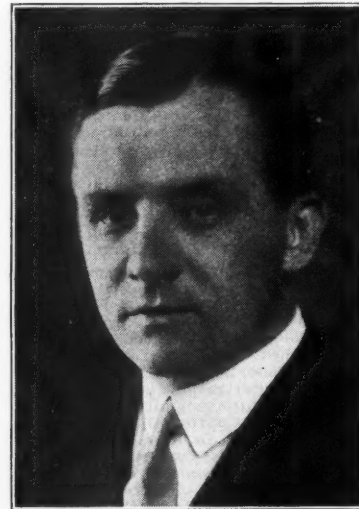
The insurance program of the Chamber falls into three major branches, legislation, conservation and education, and definitely takes into consideration the buyers, who make up the bulk of the organization's membership.

The Chamber opposes use of special state taxes on insurance as general revenue, and it is opposed to state insurance funds.

The Chamber's program for improved public health, carried on with the aid of life companies, has stimulated effort in this direction in 400 cities and in

rural areas. The Chamber now is exploring the possibility of becoming more active in the field of industrial health. This work has the cooperation of 6,000 business men serving on local health committees.

Mr. Cuneen mentioned also the pro-



T. F. CUNEEN

motion of other life saving programs and the group's opposition to unsound laws on investment of reserves.

Its publications on various types of insurance, written in lay language, go to hundreds of thousands of buyers. Some 60,000 copies of a recent bulletin

dealing with twisting have been distributed.

The Chamber has evolved a program for increased activity along insurance and loss prevention lines. Its conservation work is to be expanded, the health program broadened. This expanded program will include more intensive and organized field work, including visits to home offices of member companies and with agents to secure their views on problems in the field and how the Chamber can give more help in solving them.

Commissioner Urges Harmony

Insurance Commissioner M. H. Taggart of Pennsylvania urged all connected with every side of the insurance business to avoid airing their quarrels in public.

Mr. Taggart emphasized that his department exists for the purpose of regulation, but not to conduct or manage the business, and that it does not promulgate unnecessary or annoying regulations or sponsor legislation intended to restrict activities unless a public need is manifest. There are perhaps 100 bills affecting insurance before the legislature this year and not one has been introduced or sponsored by the insurance department. Many of them will be opposed by the department.

Edwin H. Fowler, regional district manager of John Hancock, Boston, was unable to attend the convention and deliver his talk due to pressing business matters. His place was taken by Richard Barrington, John Hancock manager at Allentown, Pa.

Calling life insurance selling a true profession because it meets the defini-



THE

POLICYHOLDERS' COMPANY

SINCE 1845

The Mutual Benefit

LIFE INSURANCE COMPANY

ORGANIZED 1845 • NEWARK, N. J.

June 6, 1941

tion of a profession by rendering service to people, A. Kenneth Hemer, field training supervisor Metropolitan Life, said that it was up to the agent to make himself worthy of his profession.

To do this, Mr. Hemer said, the agent must first be convinced that his calling is noble enough to be made his life work. He must then set about studying the

subject with as much earnestness as the doctor or lawyer studies for his work.

The professional underwriter must employ "self supervision" and be able to manage himself, he said. He must be persistent and on the job every day. As a professional, he must diagnose before he prescribes. He should not

(CONTINUED ON PAGE 27)

Parity of Dollar Asked by Blackall

(CONTINUED FROM PAGE 10)

the fuller public recognition during war time of the value of life insurance and to the continued effort of the companies during recent years to write business of better quality and persistency."

Association membership remained at 48 companies, representing about 99.8 percent of the life insurance, other than fraternal, in force in Canada.

Progress in Agency Selection

Considerable progress was made in selection and training of agents and elimination of undesirable types of agents. It is planned to establish agency selection rules and standards for the guidance of all life companies. Mr. Foster said the principles adopted are approved by the Canadian superintendents.

There were few legal developments in the year, showing the business is stable, especially in wartime. Alberta brought its law concerning suicide claims into line with other provinces, and in Manitoba the law was repealed which required a person to live in that province to obtain a life agent's license. British Columbia now is the only province having that law in force.

Mr. Foster discussed taxation, saying the authorities were asked to implement the principle already recognized by Parliament there should be no double taxation of foreign business of Canadian companies by proposing necessary amendments to permit combining deductions allowed by the income war tax act and excess profits tax act respecting similar taxes paid in other countries. In recent budget resolutions the Canadian finance minister indicated such amendments would be made.

WAR CLAUSE WORDING

In dealing with war problems, the special committee has not found it necessary to recommend any change in wording of the war clause approved by the executive committee about 18 months ago and used in all essential respects by most member companies.

The institutional advertising program, now entering its 22nd year, will be continued, newspapers to be given the preference. Last year, Mr. Foster said, as never before the beneficial results of 20 years of life insurance institutional advertising in Canada have been apparent. The objectives are to inform policyholders and the public of the vital part played by life insurance in the war economy of individuals and the nation; to present the idea that it is good citizenship to own life insurance, and to sustain and conserve life insurance in force and maintain the morale of policyholders, prospects and agents.

The association recommended appropriations to various health organizations and public health bodies, and praised the public health work done by Metropolitan Life. It was urged Canadian companies cooperate fully with the Metropolitan in this work.

PRESIDENT'S REPORT

Newton J. Lander, association president and managing director of Continental Life, Toronto, gave his annual report, basing it largely on the record of Canadian life insurance in war time. He discussed the changes made necessary in life insurance as a result of the war, the coverage available to service

men, and stated that life insurance in Canada is geared as effectively for the war effort as it was in peace.

Mr. Lander pointed out that after the first world war most companies continued to include a war clause in their contracts for some years, but this eventually passed out. By September, 1939, with the possible exception of restrictions on aviation activities, virtually all life insurance issued prior to commencement of the war provided full coverage even though the insured might become engaged in military service. He explained provisions of the present war clause, which does not affect civilians unless they travel beyond "home areas" or engage in aviation except as fare-paying passengers.

It is not usually practicable to continue group insurance on employees leaving employment and policies issued in peacetime normally provided that coverage would cease when an employee left his employment. However, most policies permitted the employer to continue the coverage on employees enlisting for military service by granting them leave of absence. This, however, affects the cost of group insurance, as the premiums are subject to adjustment from time to time depending on mortality experience. Many employers have continued the insurance on those enlisting for active service and assumed the increased cost.

New master group contracts are written with a provision that any life insured who leaves for military service shall be deemed to have terminated his employment and not taken leave of absence. Thus the coverage of the employee concerned automatically ceases under the group policy. The employee, however, has the privilege of converting to an ordinary policy containing a war clause but not requiring medical or other evidence of insurability.

There is considerable variation in the wording of disability and double indemnity clauses, Mr. Lander said, but generally there is automatic termination of benefits in the event of active war service. This is the regular peace-time

provision. There remained the problem of part-time reserve service in the army and full-time on an active basis with the army training in home areas. Most companies terminate coverage automatically upon enlistment for active service, but some companies are prepared to complete a supplementary agreement continuing coverage so long as insured is located in Canada or the United States, and in some cases Newfoundland. A number of companies provide this coverage will cease immediately if hostilities occur within such territories. Generally those in reserve retain their benefits, subject to termination if they go on an active basis.

Most policies in Canada contain an automatic non-forfeiture privilege which goes into effect on default of payment of premium and continues the policy in force for a period of time dependent upon the number of years for which premiums have been paid. While a policy is being carried in force in this manner no war restrictions can be introduced, Mr. Lander said. Where it has actually lapsed, but the lapse is due to inadvertence or carelessness in not paying the insured's premium promptly, many companies place the insurance again in full force without the addition of any new war risk limitations.

L. O. St. Laurent, K. C., French-Can-



"The Circle of Security"

NOW...

A Program Combining in a Single Plan the Benefits of
LIFE, ACCIDENT AND HEALTH INSURANCE

**All disability features guaranteed
fully renewable to Age 65**

**PROVIDENT
Life and Accident
Insurance Company**

Chattanooga—Since 1887—Tennessee

THE
MANUFACTURERS
LIFE

During the early years of its operations in the United States the Manufacturers Life laid a solid foundation of public acceptance and built up a loyal, successful agency personnel. With this background, it has followed a policy of steady expansion during more recent years.

The soundness of this policy is evidenced by the Company's increasing business in force in this Country. At the end of 1940 it had more than \$126,500,000 of life insurance and deferred annuities in force for the benefit of United States citizens—an increase of 43.6 per cent. since 1935.

INSURANCE IN FORCE, 604½ MILLION DOLLARS
(Including Deferred Annuities)
ASSETS, 190 MILLION DOLLARS

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1887

nadian lawyer and co-chairman of the Quebec executive committee for the 1941 Victory loan, denounced the Nazi leaders and their "lust of conquest," seeing an inspiration in the stubborn bravery of the British populace, and a pledge of ultimate security. He agreed with Arthur Purvis, head of the British purchasing commission in Washington, that British heroism and tenacity had bought for the world a "period of breathing space," but asked, "to what use are we putting that breathing space?"

Canadian life companies, he said, can have a major part in support of the war effort by subscribing heavily to the loan. The real object of Canadians entrusting their savings with insurance companies

is to ensure the security of their families in later years, he pointed out. This purpose may best be carried out by investing in Canadian bonds with which to provide the fighting men with the tools required.

R. D. Croft, president of Croft Printing Company, Toronto, discussed life insurance and war finance from the public's point of view, observing that the average Canadian will contribute more to the war effort through the medium of his life insurance premiums, due especially to the dual service he receives for his money. This dual service is insurance protection and the lending of his premium to the government for national security, Mr. Croft commented, thus providing double insurance.

plan of the company. He said it was in conformity with the growing discrimination of insurance buyers in this country who are realizing the importance of careful insurance purchase and selection of insurance agents. A primary purpose of each salesman must be to sell in a way which builds prestige for himself if he would obtain and hold the buyers. That is a principal contribution of the Y. F. I. sales plan, he said. Mr. Fischer announced the issuance of a new 100-page book on Massachusetts Mutual settlement options which was distributed at the convention. It was prepared by Harold Sullivan, assistant in the benefit department, using as a basis his thesis for his Life Office Management Association degree. Mr. Fischer said the liberality of the optional clauses made it possible for the agents to become real social engineers.

noon clinic under direction of L. M. Huppeler, agency assistant in the home office.

President Perry was toastmaster at

Observe Company's 90th Anniversary

(CONTINUED FROM PAGE 1)

corporation was approved by the governor of Massachusetts May 15, 1851. Caleb Rice, first president, was first mayor of Springfield and high sheriff of the county for 20 years. His services for the company were without compensation for more than a year, and then as president and treasurer he received \$50 per annum, being raised to \$300 when the company was five years old, and nearly two years later to \$400.

First Policy to Harvey Danks

Harvey Danks, first general agent, whose duties would now classify him as traveling supervisor, received \$600 annual salary plus traveling expenses. He was the owner of policy No. 1, issued August 2, 1851. The first death claim was on a policy issued to Hiram Hitchcock, and the treasurer was authorized to borrow the sum necessary to make payment.

The capital stock was \$100,000. It was retired in 1867 when the company became mutual.

"While a study of the history of every one of the economic crises will disclose failures and more failures and bankruptcies of various types of financial institutions," President Perry said, "you will not find insurance mentioned at all. I don't mean to imply that no insurance company has ever suspended, but dollarwise and percentage-wise such failures have been of little consequence. Furthermore, such companies have not contributed to, nor have they been a part of, any major or minor calamity. In these uncertain times that one fact alone is worth all of the current predictions you can bundle together. It is the best answer you can make as to the ability of life insurance to meet man's financial needs in both inflation and deflation periods.

Says to Hammer Facts Home

"Instead of dealing in ephemeral theories, why not stress and emphasize what insurance has actually done over a century, and what it is doing today with ever increasing ability and efficiency? Isn't it important to let not only the insuring public, but the whole public, know that American families received \$2,700,000,000 in 1940 from life insurance companies, which was \$59,000,000 more than it was the year before; that it was double what it was in 1925, and 16 times what it was in 1900? "And by all means keep on repeating that during the period since 1929 the companies have paid out no less than 29 billions of dollars. I quite realize that these figures are not new, but for the life of me I can't see why that should detract from their importance. Just compare their significance with any or all of the puny criticisms of the investigators, the ideologists, and the bureaucrats.

"Everyone of us has a tremendously important public relations job to do. The public is entitled to know, and should know all of the facts. Let us dedicate ourselves to a plan which will have as its objective the spreading of all the truth about this great business of ours.

It might be that such an expenditure of time and effort would prove to be the best investment we have ever made."

Theodore Green, Oklahoma City, was elected president of the Massachusetts Mutual Agents Association at the Wednesday session. Other new officers are: Vice-presidents, Tracy E. Evans, Cincinnati, and George Liebkeman, Jr., New Orleans; secretary-treasurer, Fritz A. Lichtenberg, Columbus; Bruce Pirnie, Providence; John Harmon, Jacksonville; Mrs. Romola Hardy, Greensboro; Jess Leigh, St. Louis, and Barry B. Stephens, Los Angeles, executive committee members.

C.L.U. ELECT

New officers of the Massachusetts Mutual Chapter of C. L. U., are: President, Eugene C. Noyes, Akron; vice-presidents, Kenneth Williamson, Peoria, Ill., and Luther Buchanan, Boston; secretary-treasurer, Clarence E. Pejeau, Cleveland. The retiring president is Hampton L. Irwin, Detroit.

Missed for the first time in many years at the meetings was Vice-President Henry Loeb, who with Vice-President J. C. Behan, was scheduled to receive a 45 year service emblem. A message of good will was sent to Mr. Loeb. R. A. Altick, Wilkes-Barre, general agent, was chairman Tuesday morning.

Hold Discussion of Service

Assisting Morris Landwith, Peoria, in a discussion on service Tuesday morning were: W. F. Hughes, Memphis; Ralph Loewenberg, Keane agency, New York; David Marx, Jr., Atlanta, and R. S. Loeb, Hughes agency, Chicago. Mr. Marx discussed wills, relation of estate to family problems, and to business problems if the prospect owns his own business, state and federal taxes, and policy audits, all of which he uses as a basis for providing services. He leads the discussion so as to bring in the prospect's accountant, lawyer and trust officer to assist in their particular fields. Mr. Loewenberg gets 30 to 40 percent of his business from people in the textile industry. He reads the textile trade papers and keeps clients and friends in touch with interesting news in their industry. Mr. Loeb watches beneficiary provisions for failure to include children born after policies were first prepared. Failure to dispose of property as desired by the buyer after primary beneficiaries are named. Failure to divide among children per stirpes rather than individually. He watches to avoid making educational policies payable to the child until it is of age but provides payment to the mother, thus avoiding the necessity of having courts appoint guardians. He also watches to prevent destruction of children's estates through selection by the wife of non-stipulated annuities and warns the husband against giving away all incidents of ownership even to his wife on policies intended primarily for retirement income protection.

Vice-president C. O. Fischer, concluding the Tuesday morning session, commended the "Your Family, Inc." sales

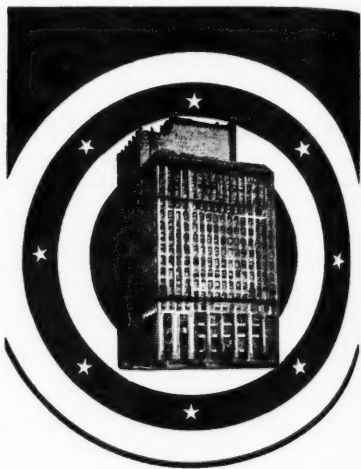
SUPERVISORS RALLY

Discussion leaders at the Supervisors Association meeting Tuesday were: J. M. Blake, manager field service; Leslie Fortune, Memphis; C. H. Emanuelson, Boston, and R. P. McCasky, Houle agency, Chicago. Many planned to remain over Thursday morning for a special session on the Y. F. I. sales plan to be conducted by C. W. Hall, assistant director of agencies.

Discussing "Listening Posts of the Future," Hampton H. Irwin, Detroit, president Massachusetts Mutual C. L. U. chapter, told of government competition in business and its adverse effect on interest rates. He said gradually, but surely the public is becoming aware that economic and social laws are superior to political laws. He touched on the Washington proposal that life companies enter the field of venture capital.

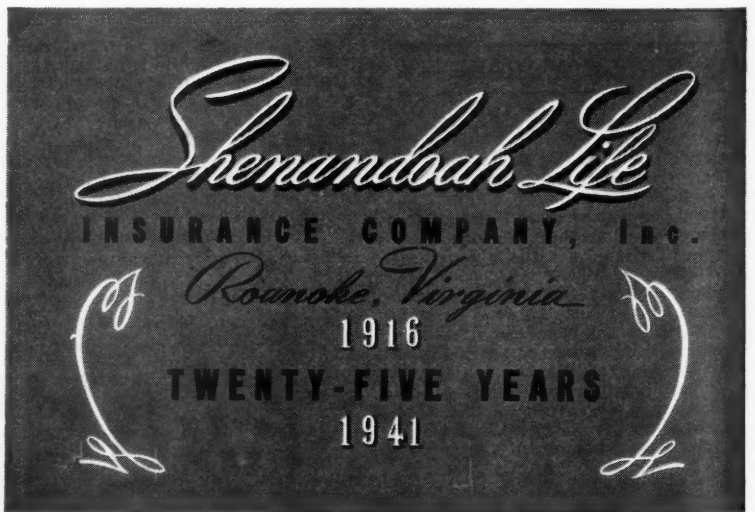
Knox Turnbull of the Richmond agency said that the life insurance institution and Massachusetts Mutual are infants when viewed in terms of the future and the continuing need to carry the life insurance torch for generations not yet born. Man's love for his family is unchanging.

D. B. Maduro, New York tax attorney, discussed pension trusts in after-



**General Agency
OPPORTUNITIES
for good personal
producers**

**Central Life
INSURANCE COMPANY
of Illinois**
ALFRED MacARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO



**THE DOMINION
LIFE
ASSURANCE COMPANY**



A full range of contracts is provided by the Dominion Life meeting every type of insurance need.

DETROIT
2724-6 Union Guardian Bldg.
F. W. SIMPSON, Manager

LANSING
800-801 Olds Tower Bldg.
ROY G. HOWLIN, Manager

ESTABLISHED 1889 — HEAD OFFICE — WATERLOO — ONTARIO

informal dinner Monday evening, presenting service emblems bearing a star for each five years to various fieldmen and home office people. F. L. Madden, St. Paul, was keynote speaker.

James M. Blake's song focusing attention on retirement income insurance, was a feature of the Tuesday session.

Selling retirement insurance was taken up by J. W. Barnett, San Francisco, who said through social security the government has strengthened the appeal of old age income insurance. Those engaged in occupations not eligible for government aid comprise a big market, he said. Agents should not overlook sales opportunities among people whose social security benefits will be inadequate for their income needs.

J. M. Hammer, Jacksonville agency, told of keeping audits up to date, periodically reminding clients of policy provisions which should be incorporated in their programs, and of needs not covered adequately.

Symposium on Prospecting

Pre-selection of prospects and better sales procedure were subjects of a symposium on the sales plan "Your Family, Inc." led by C. W. Hall, assistant director of agencies. It was noted approximately \$8,000,000 of business written by agents using the plan shows declines only one-fifth the company's general average, with not-taken cases two-fifths. Better selection of prospects results and greater persistency. C. O. Fischer, vice-president, summarized the discussion, stressing the need for constant improvement in service to the public.

L. M. Huppeler, agency assistant, told of the "Personal Security" plan. Instructions were given for using the visual presentation, "Rise and Fall of Man's Efficiency," in interviewing employers, and for procedure in selling employees. Michael Marchese, assistant secretary, discussed non-medical features of the plan.

W. B. Pirnie, Providence, assisted by four other agents conducted a panel discussion on "That We May Serve Best." Knowledge of the business, selective prospecting and good work habits were given as essentials of successful selling.

Employs Letters to Prospects

Use of personal letters to prospects, and to centers of influence reporting results of help given, was discussed by B. B. Stephens, Los Angeles. Capitalizing on natural desire for recognition, he sends clippings to prospects and clients, reporting their promotions and other news of a personal nature.

INSPIRATIONAL REVIEW

"Four Score and Ten" was the title of an inspirational review of Massachusetts Mutual service, through which over \$900,000,000 has been paid to policyholders and beneficiaries in the 90 years. This feature was given by Frank T. McNally, Minneapolis, general agent.

In the pension trust session which was held Sunday preceding the convention, more than 100 agents heard an exposition of the subject by L. M. Huppeler, agency assistant. He explained the functioning of pension trusts and compared them with group annuities; described the adaptability of Massachusetts Mutual policies to pension trusts, and outlined formulas for agents to use in ascertaining retirement benefits for individuals included in the plan. Work sheets and rate tables were discussed and distributed for use by agents.

Discuss Legal, Mechanical Steps

Walter Sullivan, company attorney, outlined legal aspects, and Frank Emery, assistant secretary, explained the mechanics of installing the plan in a corporation and routine steps in submitting business.

Roderick Pirnie, Providence general agent, described the selling procedure for pension trust business. The desirability of Massachusetts Mutual contracts in this connection was stressed by L. E. Simon, New York general agent, and

the experience of his agents in selling pension trusts was discussed by G. E. Lackey, Detroit general agent.

Agents who attended home office review schools held semi-annually for the last two years were entertained at a dinner. A one-act playlet illustrating the need for settlement options was presented by a cast directed by Joe Netherland, Nashville agency.

Court of Honor Awards

Among agents recognized in the "Court of Honor" conducted by Vice-president Behan, were: Consecutive weekly production—A. J. Thomas, Davenport, 27 years; J. W. Wulf, Cleveland,



Albert J. Thomas

John W. Wulf

24 years; C. G. Keehner, San Francisco, 17 years; G. M. Phillips, Atlanta, 13 years; Dick LeBuhn, C. L. U., Davenport, 13 years. \$12,000 monthly minimum—J. W. Wulf, Cleveland, 22 years; G. H. Schumacher, Cleveland, 21 years; E. W. Silcher, Oregon, 20 years. \$20,000 monthly minimum—C. G. Keehner, San Francisco, 14 years; G. H. Schumacher, Cleveland, 13 years; H. B. Ruhl, Detroit, eight years; M. L. Balser, Atlanta, four years; K. J. Katz, Rochester, four years.

Vice-president Long in Service

Vice-president Behan received a 45-year service emblem and congratulations from President Perry at the dinner.

Mr. Behan joined the home office family Jan. 1, 1896, as stenographer, was advanced through the ranks, becoming superintendent of agencies in 1912, second vice-president in 1928 and vice-president and director in 1936.

A 50-year service emblem was presented, in absentia, to Dr. B. F. Turner, Memphis, who joined Massachusetts Mutual's field medical staff Jan. 1, 1891. Dr. L. D. Chapin, consultant to the medical department in the home office, received the 30-year service emblem.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

Pennsylvania Days Observance Is Concluded

(CONTINUED FROM PAGE 23)

hesitate to ask the prospect any question which is necessary for the solution of his case.

It is highly important that the agent learn to forget himself and find happiness by making others happy. He must lose his identity in his work and learn to serve for something besides compensation. Lastly, Mr. Hemer said, the agent must possess a pleasing and professionally effective personality. Like the doctor, he must be able to impress upon his clients the wisdom, sincerity and disinterestedness of the advice he gives.

Nominate at Boston

The following have been nominated by the Boston Life Underwriters Association as new officers to be voted June 12: President, Owen D. Murphy, John Hancock; first vice-president, Winslow Cobb, Jr., New England Mutual; second vice-president, E. W. Enman, Prudential; secretary-treasurer, M. H. Warren, Phoenix Mutual; directors, Michael Alperin, Mutual Benefit; E. G. Bates, Massachusetts Mutual; W. H. Boireau, Berkshire; B. L. Cook, Aetna; H. J. Dowling, New York Life; H. M. Faser, Penn Mutual; A. M. Hammer, Provident Mutual; E. L. Maillet, New England Mutual; T. F. Nelson, Metropolitan Life; N. D. Phelps, Northwestern Mutual; J. H. Stubbs, Equitable Society, and G. B. Winslow, Travelers.

Mass. Savings Bank Jubilee

BOSTON—A jubilee dinner meeting sponsored by the Savings Bank Life Insurance Council was held here to celebrate the writing of \$200,000,000 of that type of insurance in Massachusetts and also the passage of the savings bank life insurance bill in Connecticut. Tributes were paid to Justice Louis D. Brandeis for establishing the system in Massachusetts. Judge E. A. Richards, president of the New York Savings Bank Life Insurance Fund and president of the East New York Savings Bank, spoke.

R. F. Nutting, president of the council, presided, and Judd Dewey, deputy commissioner of savings bank life insurance, brought greetings from Governor Saltonstall.

W. T. Whitehead, Kansas City Life director of sales promotion, has completed a series of agency schools for members of the Cummings Texas agency at Houston, San Antonio and Dallas.

ACTUARIES

CALIFORNIA

Barrett N. Coates Carl E. Herfurth
COATES & HERFURTH
CONSULTING ACTUARIES
582 Market Street 437 S. Hill Street
SAN FRANCISCO LOS ANGELES

ILLINOIS

DONALD F. CAMPBELL
and
DONALD F. CAMPBELL, JR.
Consulting Actuaries
100 N. La Salle St. Chicago, Illinois
Telephone State 1330

WALTER C. GREEN

Consulting Actuary
Franklin 2632
211 W. Wacker Drive, Chicago

HARRY S. TRESSEL

Certified Public Accountant and
Actuary
10 S. La Salle St., Chicago
Associates
M. Wolfman, A. A. I. A. Franklin 4020
N. A. Moevitch, Ph. D.
L. J. Lally

INDIANA

Haight, Davis & Haight, Inc.

Consulting Actuaries
FRANK J. HAIGHT, President
Indianapolis—Omaha

HARRY C. MARVIN

Consulting Actuary
221 E. Ohio St.
INDIANAPOLIS, INDIANA

NEW YORK

Established in 1885 by David Parks Fackler
FAKLER & COMPANY
Consulting Actuaries
Edward B. Fackler Robert O. Holman
8 West 40th Street New York City

Consulting Actuaries
Auditors and Accountants
S. H. and Lee J. Wolfe
Lee J. Wolfe
William M. Corcoran
Joseph Linder
116 John Street, New York, N. Y.

PENNSYLVANIA

FRANK M. SPEAKMAN

CONSULTING ACTUARIES
Associates
Fred E. Swartz, C. P. A.
E. P. Higgins
THE BOURSE PHILADELPHIA

Strong Progressive

Are You Willing to WORK for a Company Which Is Willing to WORK with You?



NORTH AMERICAN LIFE INSURANCE COMPANY
OF CHICAGO.

E. S. ASHBROOK
President

JOHN H. McNAMARA
Founder

PAUL McNAMARA
Vice-President

NORTH AMERICAN BUILDING, CHICAGO, ILLINOIS

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Sun Life Increases Single Premium Rates on Policies Issued in United States

Sun Life of Canada has increased rates on single premium contracts issued in the United States. At the same time, it has discontinued the issuance of single premium 10-year endowment.

Double indemnity has been liberalized to cover fare-paying passengers in scheduled airline flights over established routes. Page 522 of the 1940 Little Gem Life Chart can be brought up-to-date by changing double indemnity restriction 178 to 174.

The new single premiums per \$1,000 are shown in the accompanying table.

Age	Ordinary	15 year endowment	20 year endowment	25 year endowment	30 year endowment
10	\$322.05	\$770.80	\$677.95	\$600.80	\$536.90
15	346.60	771.40	679.10	602.70	539.85
20	375.20	772.30	680.85	605.60	544.40
25	408.25	773.75	683.55	610.15	551.35
30	446.20	775.95	687.75	617.15	561.95
31	454.40	776.50	688.85	618.90	564.65
32	462.80	777.15	690.05	620.85	567.55
33	471.40	777.85	691.30	622.95	570.70
34	480.20	778.55	692.70	625.25	574.10
35	489.20	779.40	694.25	627.70	577.75
36	498.45	780.25	695.90	630.40	581.75
37	507.85	781.25	697.70	633.30	586.00
38	517.50	782.30	699.65	636.45	590.55
39	527.30	783.40	701.75	639.85	595.50
40	537.35	784.65	704.05	643.50	600.75
41	547.60	786.00	706.55	647.45	606.40
42	558.00	787.50	709.20	651.70	612.40
43	568.60	789.10	712.15	656.25	618.80
44	579.40	790.80	715.30	661.15	625.65
45	590.35	792.70	718.70	666.40	632.90
46	601.50	794.75	722.35	672.05	639.20
47	612.75	796.95	726.30	678.05	645.85
48	624.20	799.35	730.50	684.40	652.95
49	635.80	801.95	735.10	691.20	660.40
50	647.50	804.75	739.95	698.40	668.25
51	659.35	807.75	745.20	704.50	676.40
52	671.35	811.00	750.75	711.00	684.95
53	683.40	814.50	756.70	717.90	693.85
54	695.55	818.25	763.00	725.15	702.95
55	707.75	822.30	769.70	732.75	712.40
56	720.00	826.65	775.15	740.70	722.20
57	732.35	831.25	780.95	749.00	732.35
58	744.65	836.20	787.05	757.55	742.85
59	757.05	841.45	793.55	766.35	753.65
60	769.40	847.05	800.40	775.45	764.75
61	781.80	852.95	807.60	784.85	776.15
62	794.30	859.15	815.10	794.55	787.85
63	806.85	865.60	822.85	804.55	799.85
64	819.45	872.35	830.90	814.85	812.15
65	832.10	879.40	839.25	825.45	824.75
66	844.80	886.75	847.90	836.35	837.65
67	857.55	894.40	856.85	847.55	850.85
68	870.35	902.35	866.10	859.05	864.35
69	883.20	910.60	875.65	870.85	878.15
70	896.10	919.15	885.50	882.95	892.25

Two Victory Plan Contracts

The new Victory Plan of Mutual Life of Canada embraces two forms, one ordinary life with a minimum of \$5,000 and one endowment at \$5 with a minimum of \$2,500. The initial premium payable for the first seven years is about 60 percent of the ultimate premium.

The policy contains an option available at the end of the third year by which the payment of an increased premium can be started at once instead of waiting until the eighth premium. A similar option is available at the end of the fifth year. If either option is exercised the ultimate premium is lower than if the increased premium commences in the eighth year, and, of course, the premium commencing with the fourth year is lower than if commenced in the sixth year. Similarly, a different set of values apply if the options are exercised.

Fraizer Checks on Reinsurer

LINCOLN, NEB.—Insurance Director Fraizer of Nebraska spent a week in Dallas, examining securities placed in escrow for protection of Nebraska policyholders of American Annuity Assurance of Omaha, taken over several years ago by the Republic National of Dallas. Mr. Fraizer said that the company has handled the escrow securities acceptably when it was necessary to substitute new ones for those that had matured, and that all reports he received showed the Republic to be making excellent progress. It took over two other Nebraska companies in the last few years.

American National Changes Rates on Some Forms

American National of Galveston has made a premium readjustment that produces small increases and decreases in the life and endowment plans. There is no change in life expectancy or term premiums. Surrender values and settlement options are unchanged.

New premium for some of the more popular non-participating forms are shown herewith.

Age Under	Whl. life	20 Endow- ment	20 Pay- ment yr. en- dow- ment	Life expectancy	Life In- come male
1 yr.	10.90	18.77	11.42	42.09	16.71
7	11.36	19.34	11.89	41.74	16.13
10	12.43	20.66	12.96	41.75	19.73
15	13.77	22.26	14.32	42.03	19.15
20	14.08	22.61	14.63	42.10	19.73
21	14.41	22.98	14.96	42.17	20.33
22	14.75	23.37	15.30	42.25	20.98
23	15.10	23.77	15.66	42.33	21.67
24	15.48	24.18	16.04	42.41	22.39
25	15.87	24.62	16.44	42.51	23.20
26	16.29	25.07	16.86	42.61	24.07
27	16.73	25.53	17.30	42.71	25.00
28	17.19	26.02	17.77	42.83	25.98
29	17.68	26.52	18.26	42.95	27.03
30	18.24	27.13	18.83	43.09	28.15
31	18.84	27.76	19.43	43.24	29.34
32	19.47	28.42	20.07	43.40	30.63
33	20.15	29.11	20.75	43.58	32.02
34	20.86	29.82	21.47	43.77	33.53
35	21.58	30.54	22.23	44.03	35.11
36	22.36	31.30	23.03	44.32	36.73
37	23.18	32.09	23.89	44.62	38.54
38	24.04	32.92	24.79	44.96	40.49
39	24.97	33.78	25.76	45.33	42.60
40	25.94	34.70	26.78	45.74	44.91
41	26.99	35.66	27.87	46.19	47.43
42	28.09	36.68	29.03	46.70	50.18
43	29.29	37.75	30.27	47.24	53.21
44	30.54	38.89	31.59	47.86	56.55
45	31.83	40.01	32.94	48.49	60.33
46	33.19	41.20	34.38	49.19	64.54
47	34.65	42.47	35.92	49.98	69.26
48	36.20	43.80	37.56	50.85	74.57
49	37.87	45.23	39.32	51.80	80.60
50	39.71	46.84	41.15	52.86	87.48
51	41.67	48.55	43.19	54.04	95.43
52	43.78	50.37	45.33	55.34	104.67
53	46.03	52.33	47.61	56.78	115.60
54	48.43	54.42	50.06	58.36	128.35
55	50.98	56.63	52.66	60.00	142.95
56	53.68	59.05	55.41	61.79	159.45
57	56.53	61.68	58.31	63.73	177.95
58	59.63	64.53	61.36	65.83	198.55
59	62.98	67.60	64.56	68.09	221.35
60	66.58	70.90	67.99	70.51	246.45
61	70.43	74.43	71.64	73.10	273.95
62	74.53	78.20	75.53	75.87	304.05
63	78.88	82.23	79.66	78.82	336.85
64	83.48	86.52	84.04	81.95	372.45
65	88.33	91.07	88.66	85.27	410.95
66	93.43	95.89	93.51	88.79	452.45
67	98.78	100.99	98.60	92.51	497.05
68	104.38	106.37	103.84	96.43	544.85
69	110.23	112.03	109.23	100.55	595.95
70	116.33	117.97	114.78	104.97	650.45

Insurance Librarians Meet in Hartford June 15-19

The insurance group of the Special Libraries Association has a full program planned for the national convention in Hartford, June 15-19. Companies which will be host to the group are Connecticut General Life, Phoenix Mutual Life, Travelers and Aetna Life. Special attention will be given to the libraries of these concerns.

John C. Blackall, Connecticut commissioner, will extend welcome. At various

Something New IN LIFE INSURANCE

A Pure Protection . . . ordinary or whole life policy without cash values

Our limited pay policies permit the withdrawal of cash values

Without cancelling policy

Without note, interest or reducing policy

Many other new features that appeal to thinking people

Commissions that will interest any salesman. Previous experience not essential

Interstate Reserve Life Insurance Company
TEN EAST PEARSON STREET, CHICAGO

other times, the librarians will hear George A. Driue, assistant secretary Connecticut General Life; Lelia E. Thompson, attorney Connecticut Mutual Life; Dr. William B. Bailey, economist Travelers; H. B. Giddings, vice-president Travelers; Allen Bromsmith, Travelers; Joseph T. Malone, Travelers; Terence F. Cuneen, executive assistant U. S. Chamber of Commerce; Dr. Marion A. Bills, assistant secretary Aetna Life; Amos E. Redding, field supervisor Aetna Casualty, and Joseph M. Ward, Phoenix Mutual Life.

Eluding Police Not Felony

PORTLAND, ORE.—The Oregon state supreme court has directed Mutual Life to pay double indemnity to Betty Jean Trevathan, Portland, whose husband was killed April 15, 1939, when his motorcycle collided with a truck. The husband was killed at the Oregon end of the interstate bridge at Portland, while being pursued by Vancouver, Wash., police. He had been arrested in Vancouver for a minor traffic law infraction, and the keys to his motorcycle impounded when he was unable to furnish bail. He started the motorcycle without a key, and fled across the state line. The supreme court opinion affirmed the decree of the circuit judge that Trevathan was not committing a felony at the time of the accident since Vancouver police had no right to impound the motorcycle in lieu of bail, and no right to pursue Trevathan across the state line.

Bert A. Hedges, Kansas manager Business Men's Assurance, Wichita, is secretary and general director of the annual Kansas boys conference, June 8-15, in Wichita.

Title Insurance Companies

The title insurance firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

COLORADO

THE TITLE GUARANTY COMPANY

H. Elliott Houston, Pres. Akcol Nelson, Exec. V. P.

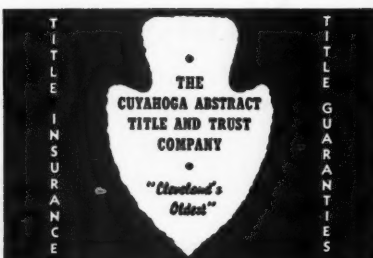
"Home of Landon Abstracts"

Titles insured thruout Colorado.

Escrow Service—Loans—Abstracts

1500 Court Place—Denver

OHIO



OKLAHOMA

AMERICAN FIRST TRUST CO.

First National Bldg.
Oklahoma City, Okla.

STATE-WIDE TITLE INSURANCE

Under Supervision of State Bank Commissioner

Morton Again Chairman of Canadian Life Advertisers

TORONTO — Ed. Morton, North American Life of Canada, was reelected chairman of the Life Advertisers Section of the Canadian Life Insurance Officers Association for another year, and Joseph Chandler, Sun Life of Canada, and W. A. Shields, Confederation Life, were elected vice-chairmen, at the annual meeting here. Bruce R. Power is secretary-treasurer.

Insurance men should observe the same ethics as the doctor does concerning another doctor's patient, R. P. Webber, financial editor Toronto "Evening Telegram," told the advertising men. Also, underwriters should have some protection once they secure a client.

Mr. Webber said he doesn't see any devaluation of the Canadian dollar that will mar the attraction of dollar payments on returns from insurance policies in the future.

J. C. McFarland, Cincinnati general agent Ohio State Life, has completed 6½ years of consecutive weekly production.

PROPERTY MANAGEMENT DIRECTORY

The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

ALABAMA

ENGEL REALTY COMPANY

Realtors & Insurers

MANAGEMENT SALES
LEASES APPRAISALS

BIRMINGHAM, ALABAMA

INDIANA

Property Management

Leases Sales Loans
Appraisals—Insurance

W. A. BRENNAN INC.
INDIANAPOLIS

Klein & Kuhn

Guaranty Building
Indianapolis

SALES APPRAISALS
LEASES
Property Management

WISCONSIN

H. WINFIELD PORTER

606 West Wisconsin Ave.
Milwaukee, Wisconsin

PROPERTY MANAGEMENT
APPRAISALS
MORTGAGE LOANS
SALES

LEGAL RESERVE FRATERNALS

Modern Woodmen Reelect Officers

Officers of Modern Woodmen, headed by O. E. Aleshire, national president, were reelected at the head camp convention held in Chicago this week. A change was made in the method of selecting the treasurer, who has been elective and a member of the board, but hereafter will be appointive. The president and secretary remain ex-officio board members, and the board remains at seven members. The appointment of a treasurer probably will be made by the directors at their July 15 meeting. The change was made through a desire to have the treasurer a full-time resident official of the home office.

President Aleshire announced a comprehensive program of cooperation with the Boy Scouts, which was effected for reasons of patriotism and also a greater interest of Modern Woodmen in the juniors. Dr. Ray O. Wayland, New York, director of education and relationship of Boy Scouts of America, addressed the camp, expressing appreciation for the Modern Woodmen move to sponsor Boy Scout troops among junior members. He said this work is especially needed in rural districts. The adult leadership of Modern Woodmen members in this nation-wide program will be of great value. The neglected farm boys, he concluded, are as great a challenge to the better citizens as the waifs of the city slums.

Talbot a Life Member

A. R. Talbot, past president, was honored for his long Modern Woodmen service of 48 years—as the active head for 33 years—by being appointed a life member of the head camp with voting privilege. F. F. Farrell, executive secretary-manager National Fraternal Congress, extended greetings. Board members of Royal Neighbors were introduced by Mr. Aleshire, and also C. W. Byrer, Los Angeles, national adviser, and state managers. Mr. Aleshire also presented Donald Schunan, "star" scout of Forest Park, Ill.; Michael Aleshire, of Cub Pack 1003, Evanston, his grandson, and Miss Lorraine Geniesse, Chicago, convention pages.

Ferre C. Watkins, head of the Illinois department liquidation bureau, addressed the banquet gathering Wednesday night at which President Aleshire presided.

Interest Earning Question

In his quadrennial report, President Aleshire stressed that all Modern Woodmen officials and representatives have a task demanding vision. He said some camps already are sponsoring Boy Scout troops and have trained scoutmasters. He feels it is a progressive step which will have valuable effects. Modern Woodmen has had a substantial interest earning, he said, but a lower interest assumption may have to be adopted if the national interest slump trend continues.

St. George Fraternal Is Placed in Liquidation

St. George Fraternal of Chicago was placed in liquidation this week by Superior Judge Schwaba, following discovery of an alleged larceny by an official of securities valued at about \$140,000 of the approximately \$164,000 admitted assets. The action was taken on petition by the attorney-general, acting for Insurance Director Jones, who declared the society was hopelessly insolvent. It was said a majority of the directors consented to the liquidation.

Director Jones was ordered to take immediate possession as liquidator, to seek reinsurance of the business in force and conserve remaining assets and the agency force.

Royal Neighbors to Gather in Duluth

The program has been arranged for the quadrennial supreme camp of Royal Neighbors to be held in Duluth, June 16-20. Sessions will be in the Hotel Duluth.

Mrs. Grace W. McCurdy, of Bettendorf, Ia., head of the society, will speak the morning of June 16, and Miss Erna M. Barthel, Rock Island, Ill., supreme recorder, will talk the evening of June 17 on accomplishments of the society at a class adoption. Foster F. Farrell, Chicago, secretary-treasurer and manager National Fraternal Congress, will speak the evening of June 19 at a banquet.

Plan Progressive Legislation

Several business sessions will be devoted to revision of by-laws and enactment of legislation for advancement of the society. Officers reports on progress in the last four years will be submitted. Election of supreme officers for new four-year terms will be held the morning of June 18, and they will be installed the next evening under direction of Mrs. Eva Child, Janesville, Wis., past supreme oracle.

There will be a reception for supreme officers the evening of June 16, and exemplification of juvenile ritualistic work in the afternoon, June 17. A motor tour will be held June 18, with a fish fry at a lodge on the north shore of Lake Superior.

The Royal Neighbor chorus and degree staff, composed of 20 employees of the head office in Rock Island, will perform. Mrs. Alice C. Nash, Hopkins, Minn., chairman of the board of supreme managers, is general arrangements chairman in Duluth, and Mrs. Cora Hantz, Duluth, district deputy, co-chairman.

Officers Who Will Attend

Supreme officers who will attend, besides those mentioned, include: Mrs. Clara Hoyt, Baraboo, Wis., receiver; Mrs. Margaret Gorman, Chicago, Mrs. Edna E. Walsh, Kansas City, Mo., Mrs. Frances Torkelson, Lincoln, Neb., and Mrs. Jessie Mitchell, Brighton, Mich., managers; Mrs. Bessie Hayden, Lowell, Ind., Mrs. Florence Harris, Muskogee, Okla., and Mrs. Burkella Snyder, Council Bluffs, Iowa, auditors; Dr. Hada M. Carlson, Moline, Ill., physician, and Mrs. Myrtle E. Schoessel, Rock Island, editor.

The camp will be composed of 222 representatives, including 186 delegates, 21 elective and appointive supreme officers and 15 members of the five standing committees. Several hundred visitors are expected to attend various sessions. The delegates will represent the membership of 506,357 located throughout the United States.

Society to Hold Convention June 16

Plans are complete for the national convention of Protected Home Circle to be held June 16-18 in the Netherland Plaza Hotel, Cincinnati. More than 300 members have qualified in production contests for a free trip to the convention and 20 uniformed drill and degree teams will take part.

S. H. Hadley, national president, will preside at the sessions. The convention committee is headed by W. R. Cubbon, supreme guardian.

There will be a reception, pageant and exhibition drills the evening of June 16, with an address by Guardian Cubbon. A state deputies breakfast will be held the next morning, the opening general session following. S. C. Abell, Dayton, state deputy, is chairman. Mayor Stewart of Cincinnati will

Life Insurance PLUS

UNLIMITED DOUBLE INDEMNITY

James Brown *did* live. But when he left the hospital months later, he was horribly crippled. A steel brace covered his back from shoulders to hips—and he was blind in both eyes.

Only one thing saved James Brown from complete loss of income—a Maccabees 20 Pay Life certificate for \$1000 with Income Disability and Double Indemnity riders. Under the provisions of that certificate, Brakeman Brown was eligible for two of The Maccabees EXTRA BENEFITS—\$10 every month for the duration of his disability under the Income Disability rider and an additional \$10 for each month for 10 years under The Maccabees unique Double Indemnity rider. The last is a benefit peculiar to The Maccabees; no other insurance institution offers this special feature in its Double Indemnity protection.



The name James Brown is fictitious, but the case is an actual one taken from Maccabees files.

THE MACCABEES

5057 Woodward Ave.

DETROIT

MICHIGAN

A \$90,000,000

Society



Entering upon its fifty-ninth year, looks confidently to an ever-widening spread of fraternal life insurance service to the people of America in the years ahead.

1883

\$620,000,000
paid in benefits

1941

MODERN WOODMEN OF AMERICA

HEAD OFFICE

ROCK ISLAND, ILLINOIS

extend welcome, with response by Fred A. Service, supreme solicitor; W. H. Kersker, Sr., grand vice-president and co-chairman, will extend welcome, with response by Harry G. Moore, supreme treasurer. President Hadley will read his report.

Remainder of Program

In the afternoon there will be a closed session of the supreme circle and also a junior meeting. An initiation banner degree will be held in the evening with Mr. Kersker, Sr. as chairman and a talk by Charles Liniger, supreme secretary.

June 17 there will be a counselors' breakfast, another closed session of the supreme circle, and in the afternoon a boat ride. The inner circle banquet will be held in the evening with Mr. Abell as chairman and addresses by J. A. McLaughry, supreme vice-president; F. B. Mallett, supreme guide; Dr. W. G. McLaughry, supreme medical director; F. L. Sweet, supreme sentinel. Joseph Nelson, assistant supreme secretary, will be master of ceremonies at an inner circle ceremonial.

North Star Holding Sales Drive for Dedication

A special campaign has been held by North Star Benefit of Moline, Ill., for qualification to attend the new home office dedication ceremonies June 8-10. The objective is a million of business in the first five months of 1941. Production passed the million mark May 21, according to Vaughn V. Moore, superintendent of agencies, and is running well over three times the volume written in the same period of 1940, which in itself was two times as much as the previous year.

A plaque of winners in the contest is to be placed in the lobby of the new home office. The names of the winners will be inscribed on the plaque in order of their production. The winners will be given a free home office, all-expense-paid trip (including their wives) to the dedication ceremonies at Moline.

North Star Benefit is now located in its new home, which is comfortable and gives more floor space so the office staff can be enlarged to take care of the extra large volume of new business.

Every application turned in for new business in the North Star must have a full premium with it. It is believed the requirement will greatly improve the persistency. North Star has had one of the lowest lapse rates in the United States.

Degree of Honor Gathers in St. Paul, June 16

Degree of Honor Protective, St. Paul, will hold its national convention in St. Paul June 16-19. Governor Stassen of Minnesota is scheduled to welcome the delegates the first morning; Arthur E. Nelson, general counsel will extend a welcome on behalf of the national officers, and Mrs. Mabel McCann, grand president of Minnesota, on behalf of her jurisdiction. Responses will be by Mrs. Erma Johns Jenison, Nebraska state president; Mrs. Kathryn Wilcox, Texas state president, and Mrs. Rose Harvey, national committeewoman of Iowa. Mrs. Frances Buell Olson, national president, is to preside.

A reception will be held following the afternoon session June 16, at which national officers will greet delegates. A banquet will follow.

A business session will be held the second morning, and a memorial service in the afternoon by Banner Lodge No. 22 of Minneapolis, and in the evening an "all-together" meeting. June 18 will be field workers' day, with a juvenile pageant in the afternoon. Officers will be elected the third day and routine business concluded.

There will be meetings of the committees on law, Mrs. Etta A. Branson, Spirit Lake, Ia., chairman; audit, Mrs.

Frances Kuester, St. Paul, chairman, and general welfare, Mrs. Alice Goodman, Yankton, S. D., chairman.

Stock Reelected Commander of Illinois Maccabees

John P. Stock, of Chicago, Illinois commander and manager of Maccabees since 1932, was reelected commander at the quadrennial state convention held Thursday in Chicago. About 400 delegates attended.

E. W. Thompson, great commander; C. L. Briggs, recorder; J. E. Little, actuary and field director, and E. J. Jeffries, Jr., Detroit mayor and Maccabees general counsel, all from the head office, were on the program, and F. F. Schwarz, Toledo, Ohio state commander and manager. Mayor Jeffries and Mayor Kelly of Chicago extended welcome.

Artisans Order Wins Rule Recorders Are Tax Exempt

Artisans Order of Mutual Protection has won a ruling from the commissioner of internal revenue that its recorders, or secretaries, of subordinate assemblies are exempt from the social security law. This was based on a showing that the Artisans Order was not subject to income tax, being a fraternal and benevolent society. Branches of the internal revenue department throughout the country had regarded these recorders as subject to the law.

The action on which this ruling was predicated was started before the social security law was amended by Congress specifically to exempt fraternal lodge officers. The ruling is that all services performed on and after Jan. 1, 1940, away from the home office in connection with collection of dues or premiums either for the society proper or its subordinate assemblies are excepted from "employment" and the remuneration to recorders or subordinate assemblies for such services does not constitute "wages" for the purpose of social security. The ruling was rendered by George J. Schoeneman, deputy commissioner.

Modern Woodmen New Rules

New conversion and reinstatement rules were announced by Modern Woodmen. Any American Experience certificate on automatic extended term insurance may be converted five years or more prior to expiration of term period without evidence of insurability. Within the five year period the same medical will be required as for a new applicant. Any American Experience certificate in suspension which has non-forfeiture options with extended insurance value of five years or more may be reinstated without medical regardless of age or amount of insurance.

Mass. C.O.F. Reelects Staff

Massachusetts Catholic Order of Foresters held its annual meeting in Swampscott with Governor Saltonstall as principal speaker at the banquet. The society, which has 40,000 members, mostly around Boston, is transferring its insurance department to a legal reserve basis, and of the 13,000 members between ages 16-49 now insured it already has transferred 9,000 to the new form of coverage. Officers were reelected. W. H. Harrison, Jr., Roxbury, is chief ranger, Mrs. Agnes L. Broderick, Brighton, vice-chief ranger, and J. G. Forrester, Quincy, secretary-treasurer.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892
A Legal Reserve Fraternal Benefit Society
Bina West Miller, Supreme President
Frances D. Partridge, Supreme Secretary
Port Huron, Michigan

LEGISLATION

California Bills Sponsored by Commission Signed

SAN FRANCISCO—Fourteen measures sponsored by Commissioner Caminetti and the legislative conference on California insurance laws have been signed by Governor Olson. Several concern life and disability insurers, including those providing non-assignable provisions and new special provisions for such policies; changing dates of expiration of life agents licenses; modifying section 760 pertaining to controlled business as far as life agents are concerned; allowing public officials, school trustees, etc., to pay one-third premium of group life on employees; providing for maintenance of deposits in trust by fraternal; simplifying method of issuing licenses to life agents.

The senate bill introduced at the request of life companies operating in California, which takes them out from under the provisions of the personal property brokers loan act where chattel mortgages are concerned, has been passed by the assembly, as has the senate bill changing the section relating to insurance companies holding property more than five years. It will become effective only after adoption of constitutional amendment No. 53 which will go before the people for vote.

In effect, the measure provides that companies may not hold property, other than home office property, for more than five years. In the event the company has held the property for more than five years the commissioner may order the company to dispose of such real estate within six months, if, after a hearing, the commissioner is satisfied that the company has refused reasonable offers for the sale of such real estate or that such real estate may be disposed of without undue hardship to the company.

Should the commissioner not be satisfied with the appraisal furnished at his request by the company, he may make such appraisal at the company's expense. The certificate of authority of the company may be suspended or revoked if the company fails to comply with any order issued under the provisions of the section.

Governor Olson has permitted to become law without his signature a bill providing that a life insurer issuing policies on a reserve basis is insolvent whenever its assets are exceeded by the amount necessary to provide for its liabilities and for reinsurance of all outstanding risks at specified rates. The bill provides the manner in which an insurer may maintain reserves on a one year preliminary term basis on a life, term or endowment policy.

Estate Tax Bill Passed

LANSING, MICH.—In its closing session the Michigan legislature passed a bill eliminating the distinction pre-

viously made in exemption from inheritance and estate taxes of trustee life insurance according to the trust plan pursued. The new act provides for a general exemption of all such insurance benefits made to a named beneficiary while continuing the state's power to levy on benefits made payable to the estate. Under attorney general's opinions and court decisions previously, insurance trusts for named beneficiaries administered by insurance carriers themselves were held exempt from taxation but trusts administered by trust companies or other agencies acting in a fiduciary capacity were deemed taxable.

The governor has signed a bill permitting trust companies or other fiduciaries to invest trust funds in annuity or life insurance contracts payable to the beneficiaries of the trusts being administered.

The insurance department budget bill passed providing for a \$127,920 annual expenditure, a \$50,000 increase. Another bill passed increasing the legal rate of pay for examiners working within the state to a maximum of \$80 per day rather than, as in the past, merely the equivalent of their regular departmental salaries. The change is expected to bring from \$20,000 to \$50,000 more expense money to the insurance department for maintaining its examining force.

Ohio—Governor Bricker has signed the new law, effective June 30, which provides that the superintendent of insurance may carry open accounts with insurance companies and agents on license fee collections.

The new Ohio law which permits the conversion from stock life companies to mutuals will go into effect July 17.

Illinois—A bill that is desired by Travelers has passed the house and is on first reading in the senate. It provides in effect that a company that has been transacting life and accident and other types of business as well for the past 10 years, shall continue to be authorized to transact those types of business. Travelers writes life, accident and health, workmen's compensation and automobile liability.

The Illinois insurance code which became effective July 1, 1937, contained a prohibition against writing life, accident and health, and any other type of business under one charter and a maximum grace period of six years was afforded. The only company to suffer by reason of that provision was Travelers.

Announce San Francisco Slate

Fred B. Wiley, Equitable Society, has been nominated for president of the San Francisco C. L. U. chapter. Clifford Henderson, Prudential, is nominated for vice-president to represent the chapter as vice-president of the San Francisco Life Underwriters Association. H. N. Lyon, Fidelity Mutual, also is nominated for vice-president; R. R. Stewart, New York Life, for secretary.



ONE
OF THE MANY
GREAT FRATERNALS

AID ASSOCIATION for LUTHERANS
APPLETON, WISCONSIN

Sales Ideas and Suggestions

Pension Movement is Timely Today, M. M. Goldstein Says

Though it is easy to sell employers the idea of a pension plan the universal objection is that this is not the time to install it. However, M. M. Goldstein, general agent in New York City of Connecticut Mutual Life, and a specialist in the pension field, has worked up a presentation which has been highly successful in getting action. He described it at a recent meeting of the Life & Trust Council of Portland, Me.

Declaring that the usefulness of pension plans is greatly accelerated by the national defense economy, he said that for patriotic reasons, for business reasons and for tax reasons the pension movement is timely just now.

Would Aid Defense

On the patriotic side, he pointed out that organized thrift is being demanded of all sections of the populace because of higher taxes and the sale of defense bonds. Any residue that corporations would have for payment of dividends after meeting these demands would find its way to individual stockholders who in turn would be importuned to buy defense savings bonds.

However, through the medium of pension plans there would be stored up some modest part of corporate earnings during this defense era that would otherwise be consumed partly through taxation and partly through defense bonds. But corporate profits deposited in a pension plan will serve the defense economy, because the pension plan will in turn invest these corporate contributions in a manner that will aid the defense financing. This applies to individual self-administered plans and to life company plans, whether funds are invested in government bonds or in securities of productive facilities.

Helps Avert Inflation

Employees' contributions to pension plans are withheld at the source. Consequently there is that much less spent for current goods and services, which spending would tend to add to the upward spiraling of prices. If there is a readjustment period following the defense boom well conceived pension plans should act as a cushion, through provision of severance funds to employees affected by the inevitable unemployment. If death benefits are provided as well, there is provided an additional cushion of importance not only to the individual but to the general economy.

Finally, the pension plan gives the employee a stake in his community, a share in the profits of industry, a pot of gold at the end of the rainbow.

For business reasons the pension plan is important, Mr. Goldstein said, because shortages are in the making, particularly among skilled labor and the executive group. Stockholders have a double interest in pension plans: to retain present executives and skilled workmen and to attract new and desirable employees for defense work.

Costs Stockholders Less

As for tax angles, peak corporate taxes enable the corporation to contribute to pension plans with a minimum of stockholder cost and the maximum of government allowance via tax deduction as a business expense. The law permits deferment of the individual employee's tax on the corporation's contribution to his pension until these benefits are made available to him, at which time, generally speaking, his tax rates will be much lower because his pension income will probably be his primary income, whereas

if currently received it would be added to his other income.

The burden of high personal income taxes and some increase in the cost of living are going to make it more difficult for most segments of our population to accumulate a competence for old age. Hence they will be unable to retire when they reach the age of superannuation. The social security act benefits are not enough to enable them to retire. Therefore, it will mean that employers will either have to continue to retain these superannuated employees on their payrolls—with a constantly mounting cost on this account—or else pension them. In the latter case the full cost of the pension will fall on the employer. The least expensive and most efficient method of solving the superannuation problem is for the employer to establish a pension plan toward which the employees contribute.

Women Prospects Surveyed on Sales Method Reactions

SAN FRANCISCO — Housewives and mothers prefer to deal with men agents, they do not like too much insistence or high pressure selling and they do not like too much "general conversation," according to a survey conducted among mothers of her students by Miss Mary Fraser, supervisor of salesmanship, San Francisco public schools. Miss Fraser's questionnaire was completed by 100 mothers representing a cross section in the city's high schools. She presented the results before the women's committee of the San Francisco Life Underwriters Association.

Of the 100 completing the questionnaire, 64 stated a preference for men agents while 10 preferred to do business with women; 12 had no preference and 14 stated they had never been approached by agents of either sex. Seventy-five percent said they had never been approached by a woman agent.

Dislikes Are Cited

Thirty-five had no specific dislikes as regards the methods, mannerisms or actions of agents but 65 gave some pointers on "what not to do." Main dislikes were: Persistence and over insistence, high pressure selling 10, condescending attitude 3 and salestalk too long and detailed.

A similar survey was made by Miss Fraser among 30 business women executives of whom eleven preferred women agents; eight preferred men; eight had no preference and three had never been approached by either. Dislikes were persistence and over insistence, overdoing the social angle, showing irritation at sales resistance, too much small talk, paint too morbid a picture, calling without appointment, calling during business hours and too prying into personal affairs.

Desired Qualities Outlined

"Sincere interest in prospects and their problems" and "good intelligent information pertinent to the subject" rated highest in a questionnaire on what the business women and housewives preferred to find in their woman life underwriter. Next on the list of appreciated qualities was "understanding of women's problems" and that women underwriters are "less persistent than salesmen," also that they give "extra follow up service" and are "more conscientious." Patience, thoughtfulness and courtesy also rated high in the scale,

followed by friendliness, convincing talk and absence of high pressure.

SALES METHODS SURVEYED

A survey of methods used by women underwriters in San Francisco was conducted by a committee headed by Mrs. Genevieve F. MacMuller, chairman women's committee of the San Francisco association. Women write 57.4 per cent of their business on women and 42.6 percent on men. Retirement income represents 55.1 percent of their business. Sales to persons between 18 and 50 years of age represented 58.8 percent of the total; on ages 40 to 60 was 39.3 percent and "over 60" 1.9 percent.

Sales to persons earning \$1,000 to \$2,500 per year represented 55.3 percent; while those earning \$2,500 to \$5,000 accounted for 37.2 percent. Business written on those earning more than \$5,000 per year was only 7.5 percent.

Referred leads were the best source of new business, accounting for 36 percent. Policyholders accounted for 29 percent with strangers 15 percent. Special observation accounted for 12 percent with 8 percent coming from other scattered sources.

The telephone is the best method of approach, accounting for 37 percent, with letters representing 27 percent and general mailing 14 percent. "Walking in unannounced" got best results in 22 percent of the cases.

Educational fund, retirement, etc., package selling was the most successful approach, accounting for 36 percent; programming 27 percent and social security 23 percent.

People with established thrift habits bought 59 percent of the business sold.

N. Y. Economic Seminar Treats Fundamental Issues

(CONTINUED FROM PAGE 1)

public opinion has been formed against us. We must plan and plan now."

Stephen M. Foster, economic adviser of New York Life, in his address at the seminar, discussed what he described as the "savings vs. outlets" theory of economics which governs the thinking of many economists in Washington. He urged business men to make an honest effort to understand this economic theory because, regardless of its merits or faults, it was essential in the present national emergency for Washington, Wall street and Main street to have a common ground upon which to discuss national problems.

The economic theory described by Mr. Foster assumes that in an economy such as ours the total amount saved out of the incomes of individuals and corporations should find outlets back into the national income stream. Savings were defined as resulting from the act, on the part of either an individual or a company, of spending less for current uses than was received as income. Outlets for savings were grouped under five major classifications: home building, plant and equipment building, the building up of private and corporate inventories, favorable balance of international payments, and, finally, governmental deficits, whether federal, state or local. According to the theory, when outlets are insufficient to equal savings, the economic trend is deflationary; when savings lag behind outlets, the trend is stimulative and perhaps inflationary. Mr. Foster assured his audience that, contrary to some opinion, the theory did not imply that there was anything bad about savings. Economic difficulty, he said, arose from continued imbalance of savings and outlets.

During the course of his discussion Mr. Foster applied the new economic

theory to some of the problems which may be expected as an aftermath of the present war. With the cessation of armament and defense spending, he warned that there would probably not be nearly enough natural outlets to put a large volume of savings back into the blood stream of the national economy. Under such circumstances deflation and depression might be expected, unless measures were taken to correct the situation. Two possible courses of corrective action were suggested in order to reduce savings and increase outlets. The first of these, which is generally accepted in Washington, would involve increased taxes and a high rate of government expenditure on non-defense and non-military projects in order to compensate for the drop in defense expenditures and the lack of private construction operations. The second course of action, which might be preferred by most business men, would involve a reduction of both taxes and governmental expenditures in order to foster the profit motive and thus to encourage business men to develop such natural outlets as home and plant and equipment building.

Although Mr. Foster stated that he personally was an advocate of the "savings vs. outlets" theory, he declared that it was more important to have people understand the theory than necessarily to have them accept it. In appealing for greater cooperation between business and government, he urged each of the two groups to attempt to understand the other's motives. Although he criticized business for failing to make the effort to understand the theory which is apparently the basis for so many administration policies, he also felt that some of the Washington economists made a mistake when they failed to give proper weight to the importance of the profit motive in a capitalistic economy. His comments were constructively critical of both Washington economists and business men, but since he was talking to business men his remarks were directed more particularly at them.

Radio Anniversary Drive Is Held for Cavanaugh

The birthday month of President L. D. Cavanaugh of Federal Life is being celebrated in June with a novel radio production contest. It was initiated by distributing a folder cut in the semblance of a console radio with President Cavanaugh's picture in the place where the loudspeaker opening usually is. A feature is the offering of a number of fine radios as prizes for the leading producers, in addition to cash prizes. A large console radio is the grand prize and table and portable models are lesser prizes.

The objective is \$1,200,000 of new life business in June and a comparable increase in accident and health production.

The first Cavanaugh Month was celebrated last year. Vice-president George Barmore, who is in charge of agencies, set the objective of exceeding the anniversary production of 1940. President Cavanaugh in August will celebrate his 27th year with Federal Life.

W. C. Schuppel, executive vice-president of Oregon Mutual Life, has left Portland for a 30-day eastern business trip. He will attend the executive committee meeting of the American Life Convention in Hot Springs, Va., and will be guest speaker at the two-weeks school at Sun Valley, conducted by the Sales Research Bureau. He will also visit the Boise agency.

Diamond Life Bulletins increase sales. For details write 420 E. Fourth St., Cincinnati.

Dobbs Again Heads Industrial Insurers

(CONTINUED FROM PAGE 3)

The sound health clause is difficult for a layman to understand and means of finding a substitute for it, such as attaching a copy of the application with the policy, should be studied.

The Virginia department issued a ruling making it unlawful to collect a premium insufficient to reinstate a policy, Mr. Bowles said. It should not be necessary for the department to make such a ruling.

Questions Relief Business

Mr. Bowles questioned the advisability of writing insurance on people on relief when the premium is paid by public funds. Competitive phases should be discontinued when they concern public good will, he asserted.

Adequate training must be given new agents. It is a mistaken view that new companies can grow quickly in a larger territory. There should be proper control of development activity.

Constant studying of the cost to policyholders is essential. Industrial companies deal with persons of limited incomes, necessitating smaller policies and a higher mortality. The constant purpose, he declared, should be to give a maximum possible benefit for a minimum premium dollar. Not only the causes, but the excuses for public misunderstanding should be eliminated.

McCormack Denies Wrongs

Commissioner McCormack, who is chairman of the industrial life subcommittee of the National Association of Insurance Commissioners, said he is not of the school of thought that there is anything primarily wrong with any branch of the insurance business. Much has been gained from the federal investigation of the business. A challenge, he said, has been dumped into the laps of executives. If private initiative is to be secure, some changes must be made. Either company executives must sell the industrial life business to the public and Congress, or it is the responsibility of state supervision to correct by legislation any weaknesses of the business. Nothing is wrong with insurance that cannot be corrected.

Doesn't Favor Restrictions

Mr. McCormack said that he would not recommend that the standard provisions required in New York be extended to all states. Some companies can reach their goals sooner than others. Management should not sit idly by and wait for state supervision to take the lead. Companies should present their problems to the state departments voluntarily. State supervision simply ascertains if the trusteeship has been carried out.

Reporting for the public relations committee, T. J. Mohan, vice-president in charge of field, Eureka-Maryland Assurance, suggested that companies

use newspapers in smaller cities for advertising media as well as those in large cities. He urged that industrial agents be used as front line agencies for Americanism. Friendly relations should be established with newspapermen and legislative representatives. Further humanizing of company literature is desirable.

J. R. Leal, Interstate Life & Accident, introduced a resolution pledging the loyalty of conference members to the nation in the national emergency and reaffirming a desire to maintain the "priceless freedom of our nation and our people." It was adopted by acclamation.

NO COMMON STOCKS

Neither the type of funds held for investment, the nature of the business, the organization, experience, or anything about the life insurance field is adapted to the management of business that is inherent in ownership of common stocks, said Frank C. Van Cleef of the New York firm of Van Cleef, Jordan & Wood.

The very nature of life insurance, dealing only in dollars, requires minimization of risk. It is essentially a business of a steady accumulation and preservation of stable capital values on a fixed, dependable income basis. This calls for the highest type of trustee debt risk. Venture or ownership risks simply do not meet these specifications.

Life Insurance Not to Blame

It is true that equity financing is drying up, declining from around 3.5 billions per year in the 20's to about 1 billion a year in the '30's. But in spite of the charge in the TNEC-SEC report, Mr. Van Cleef does not believe life insurance is responsible. Restrictions on equity financing and taxation have been responsible for curtailing the flow of venture capital into business enterprises. In the 1920's the high surtax brackets were reduced from 65 to 20 percent; in the 1930's they went up to 75 percent. Men earning up to \$5,000 a year ought to invest very little in common stocks or in any other venture risk; he should save through life insurance. But people with larger means face heavy taxation on profit from venture investment—and therefore are not interested.

Mr. Van Cleef pointed out that the U. S. spent some 25 billions in the 1930's on "made work" to relieve unemployment; yet after ten months of the present fiscal year in which only 4.5 billions were spent for national defense, there is a shortage in man power.

Government entrance in business fields on a large scale; as in furnishing power, for example, discourages venture capital in those fields.

But the free flow of private capital

into equity situations is extremely important and vital to life insurance companies, he warned. Unless that flow continues, free enterprise will be gone in this country.

During the present emergency, Mr. Van Cleef stated, life companies can advance money for plant and capital equipment under provisions whereby each year a portion of the amount advanced is returned. He suggested serial note issues, liberal sinking fund is-

suess, provisions for amortizing a loan over a period of the issue from a minimum of not less than 25 percent up to 50 percent, or even 100 percent of the entire loan. Sound situations can be set up in this way and will be if life companies call for that type of investment. Such financing lends itself readily to arranged maturity schedules providing an even flow of funds available for reinvestment during the coming years at the then current interest rates.

Industrial Gathering Sidelights

P. W. Jones, secretary Bankers Health & Life, was attending his 22nd consecutive meeting. He was accompanied by N. T. Weaver, vice-president, and Mrs. Jones and Mrs. Weaver. President P. L. Hay was prevented from coming by a slight indisposition.

The nominating committee consisted of C. A. Craig, National Life & Accident; B. F. Baynes, Home Security, and J. R. Leal, Interstate Life & Accident.

C. G. Taylor, Jr., vice-president, and F. M. Smith, second vice-president in charge of industrial department, represented the Metropolitan.

At the annual banquet, a surprise talk was made by W. C. Ellis, Franklin National Life, who was elected secretary. Mr. Ellis appeared in make-up and a Confederate uniform as Col. Johnny Johnson, aged Civil War veteran. His disguise was so good he was not recognized until he took off his wig and whiskers.

Golf trophies were awarded at the banquet by A. A. Biggio, Liberty National, chairman of the golf committee, to Mrs. I. M. Sheffield, Industrial Life & Health, women's low gross trophy; Mrs. A. B. Langley, Southern Life & Health, women's low net trophy; H. B. Belvin, Home Security, Southern Life & Health low net trophy, and Sherlock Bronson, Home Beneficial, Kentucky Central low gross trophy.

A large number of non-golfers made a trip to Williamsburg on chartered buses as guests of the Richmond companies, which were represented on an entertainment committee consisting of T. N. Kidd, Home Beneficial; J. P. Baldwin, Union Life, and R. F. Holman, Universal Life & Accident. The Richmond companies were also hosts at a reception preceding the annual dinner.

One of the most active shutter clickers was O. T. Hogan, president of the United, Chicago. He was accompanied by Mrs. Hogan.

The Gulf Life was represented by E. L. Phillips, vice-president and treasurer, who was elected chairman of the executive committee, and W. J. Hamrick, agency supervisor, who spoke on agency selection and training.

Seated at the speakers' table at the "get together" dinner honoring the past presidents were past Presidents A. B.

Langley, Carolina Life; P. M. Estes, Life & Casualty; B. L. Tatman, Reliable Life; J. R. Leal, Interstate Life & Accident; G. R. Kendall, Washington National; E. T. Burr, Durham Life; P. W. Jones, Bankers Health & Life; F. P. Samford, Liberty National, was not able to be present, and C. A. Craig, National Life & Accident, arrived the following day from Washington, where he was doing some special legislative work.

P. K. Smith, president Lincoln-Income Life, was on hand for the first time in many years, as was S. B. Coley, president Durham Life.

T. J. Mohan, Eureka-Maryland, chairman public relations committee, practically got up from a sick bed to give his report. He was accompanied by Mrs. Mohan and a daughter, Miss Alice P. Mohan, editor Eureka-Maryland "Protection."

President J. H. Gooding, Vice-president J. A. Howard, and Secretary C. G. Sneed of the Independent Life & Accident were on hand.

During the convention, Richmond was the hottest city in the country with the temperature officially recorded at 98 degrees. However, a short rain tumbled the thermometer to a more comfortable altitude the afternoon of the second day.

W. B. Clement, assistant secretary Pilot Life, and Mrs. Clement are stalwarts of conference attendance.

Interested guests included Paul Clement, secretary Minnesota Commercial Men's and president Health & Accident Underwriters Conference; R. H. Kastner, associate counsel American Life Convention; H. E. Niles, superintendent of agencies Baltimore Life; A. S. Burkart, vice-president and general manager Conservative Life, Ind.; W. C. Ley, vice-president and director of agencies Knights Life, and R. A. Burke, assistant secretary North American Reassurance.

Col. Joseph Button, formerly president of the Union Life of Virginia and a former member, was a guest. His daughter is Mrs. E. T. Burr, wife of the popular actuary of the Durham Life.

Subscribe now to Accident & Health Review, \$2. 175 W. Jackson Blvd., Chicago.



Contains 5 Transparent Wallets and Program Card
Sample Wallet—\$1.65 Prepaid

THE ORIGINAL ZIPPER VISUAL WALLET

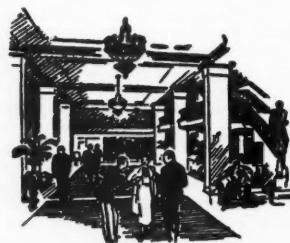
Made of a new material possessing all of genuine leather's finest qualities—attractive—practical—low in price. Choice of TAN PIGSKIN OR BLACK LEVANT GRAIN.

SPECIAL FREE OFFER

12 WALLETS @ \$1.50 EACH
1 WALLET FREE

This Free Offer Expires
August 15, 1941

MODERN SALES AIDS
189 W. MADISON ST. CHICAGO



In downtown LOS ANGELES HOTEL CLARK

15 Minutes from HOLLYWOOD

WITH the movie capital of the world and radio city within the borders of Los Angeles, entertainment reaches its zenith. Gay nights, laughter and life; sunny days filled with thrills and excitement. In the center of everything is situated the HOTEL CLARK at Fifth and Hill Streets. A hotel where you will enjoy hospitality to its fullest extent; where you will find your every wish anticipated. Whether you stay in Los Angeles for a few days or a month, choose Hotel Clark, downtown in the heart of things.

ROOMS

555

BATHS

from

\$2.50 per day

FOR MEN OF GENERAL AGENCY CALIBER

We have territory open in Vermont,
southern New Jersey, and Delaware.

Our combined Life and Non-Can-
cellable Accident contracts are valu-
able sales aids.

Write

WILLIAM D. HALLER

Vice-President and Agency Manager

UNITED LIFE AND ACCIDENT Insurance Company

CONCORD, NEW HAMPSHIRE



WANTED— A Top Notch Job

Life Insurance is unaffected by styles, seasons,
new manufacturing processes and market
fluctuation. There are new uses for insurance
today undreamed of a half century ago but the
original use is as important today as in the
beginning.

The Life Underwriter has no outmoded stock
on his shelves, no frozen assets, no payroll to
meet or capital invested, no equipment to buy,
no taxes on his workshop, no depreciation of
plant or machinery, no strikes. He has a niche
all his own. His business has its dividends of
commissions and renewals as well as the finest
dividends of life-friendships.

If you want a job of top rank, a job which
makes it possible to live a life most wanted and
get paid for it, you will find it pays to be
friendly with the

PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

FRANKFORT

INDIANA

NOW IN OUR 75th YEAR

A milestone at which we are grateful for the
steadfast confidence and good will that mark day-
by-day relations between policyholders, field force
and home office staff.

An anniversary in which we are striving to be
worthy of continued leadership as one of America's
oldest and strongest life insurance companies.



EQUITABLE LIFE of IOWA

HOME OFFICE • DES MOINES

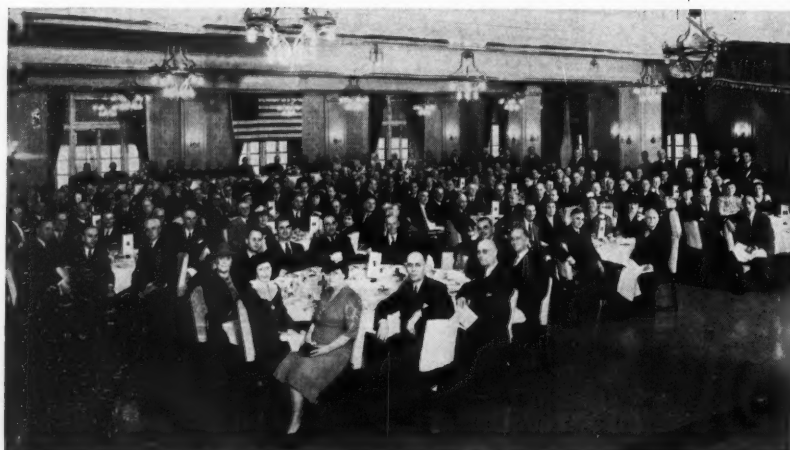
COUNTRY LIFE INSURANCE COMPANY

*"Outstanding
in Every Respect"*

HOME OFFICE • CHICAGO, ILLINOIS



Julian Price, president Jefferson Standard Life, is shown here ready to crown Miss Doris Vaughan of the agency department who was chosen "Miss Jefferson Standard" by male vote. The ceremonies took place at a night-club style dinner-dance in tropical setting at the Jefferson Standard Country Club. Runners-up for the honor were Miss Betty Hannon and Miss Frances Tugwell, also shown in the picture.



About 200 active and associate members of the Northwestern Mutual Quarter Century Club attended its annual dinner meeting. Composed of employees with 25 years or more service, both active and retired, the club now has 167 active members and 47 associates. President M. J. Cleary presented six new membership pins and service pins to other veterans who reached new five-year group classifications.



Three Chicago leaders consult with J. A. Witherspoon, Nashville general agent John Hancock Mutual Life and vice-president National Association of Life Underwriters: W. M. Houze (left), Chicago general agent John Hancock and retiring president Chicago association; Mr. Witherspoon; A. E. McKeough, general agent Occidental Life and president Illinois association, and E. W. Hughes, general agent Massachusetts Mutual.



Nellis P. Parkinson, assistant Illinois insurance director; Willard Ewing, Chicago, general agent Provident Mutual, and J. D. Moynahan, Berwyn manager Metropolitan Life, at recent Chicago gathering.



Four of the 50 year service veterans who attended the annual meeting of the Northwestern Mutual Quarter Century Club are shown above. E. C. Hunt (left), inspection division, 53 years of service to his credit; A. L. Rodee, secretary's department, 51; J. J. Gallagher, medical department, 52, and W. I. Rodee, policy division, 51. The Rodees are cousins. P. H. Evans, vice-president and actuary, a 52 year man, was out of the city.